

“We are focused on providing our customers with Solutions that actually solve their business issues & assist their growth through innovative application of technology & information management in an easy to use manner.”

..... Mr. Peeyush Kumar Aggarwal

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CORPORATE INFORMATION

BOARD OF DIRECTORS

✚ Mr. Peeyush Kumar Aggarwal	Managing Director
✚ Mr. Manoj Kumar Jain	Independent Director
✚ Mrs. Madhu Sharma	Independent Director
✚ Mr. Rachit Garg	Non-Executive Director
✚ Mr. Sanjay Sharma	Chief Financial Official
✚ Miss. Prachi Sharma	Company Secretary & Compliance Officer

STATUTORY AUDITORS

M/s. Nemani Garg Agarwal & Company
Chartered Accountants
1517, Devika Towers, 6,
Nehru Place, New Delhi - 400051.
Ph. No.: 011 26448022/ 33, 9811026144
Email: sknemani@sknemani.com
FRN: 010192N

BANKERS

Allahabad Bank
ICICI Bank
Axis Bank

REGISTERED OFFICE

703, Arunachal Building,
19, Barakhamba Road,
Connaught Place, New Delhi-110001
Email: info@mpsinfo.com
Website: www.mpsinfotec.com
CIN: L30007DL1989PLC131190
ACTIVE compliance - ACTIVE compliant

SUBSIDIARIES

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

COMMITTEES OF BOARD

AUDIT COMMITTEE

- ✚ Mrs. Madhu Sharma - Chairperson
- ✚ Mr. Manoj Kumar Jain - Member
- ✚ Mr. Peeyush Kumar Aggarwal - Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

- ✚ Mr. Rachit Garg - Chairperson
- ✚ Mr. Peeyush Kumar Aggarwal - Member
- ✚ Mr. Manoj Kumar Jain - Member

NOMINATION & REMUNERATION COMMITTEE

- ✚ Mrs. Madhu Sharma - Chairperson
- ✚ Mr. Manoj Kumar Jain - Member
- ✚ Mr. Rachit Garg - Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- ✚ Mrs. Madhu Sharma - Chairperson
- ✚ Mr. Peeyush Kumar Aggarwal - Member
- ✚ Mr. Manoj Kumar Jain - Member

RISK MANAGEMENT COMMITTEE

- ✚ Mr. Manoj Kumar Jain - Chairman
- ✚ Mr. Peeyush Kumar Aggarwal - Member
- ✚ Mrs. Madhu Sharma - Member

Notice of 30th Annual General Meeting

Notice is hereby given that the 30th Annual General Meeting of MPS Infotecnics Limited shall be held on Monday the 30th day of September, 2019, at 10.00 a.m. at the Registered Office of the company situated at 703, Arunachal Building, 19 Barakhamba Road, Connaught Place, New Delhi-110001 to transact the following business:

ORDINARY BUSINESS:

Item No. 1: Adoption of Financial Statements

To receive, consider and adopt Standalone & Consolidated Annual Financial Statements, comprising of Audited Balance Sheet of the Company as at 31st March, 2019, the Statement of Profit and Loss for the year ended on 31st March 2019 and Cash Flow Statement for the year ended on 31st March 2019 together with the Report of the Board of Directors and Auditors thereon.

Item No. 2: Re-Appointment of Mr. Rachit Garg (DIN: 07574194) as Director of the Company liable to retire by rotation

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

“**RESOLVED THAT**, pursuant to the provisions of sub-section (6) of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 the consent of the members of the Company be, and is hereby accorded to the re-appointment of **Mr. Rachit Garg (DIN: 07574194), the retiring Director**, as a director of the Company liable to retire by rotation.”

SPECIAL BUSINESS:

Item No. 3: Re-Appointment of Mr. Manoj Kumar Jain (DIN-01887411) as an Independent Director.

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152, Schedule IV, the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’) as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company Mr. Manoj Kumar Jain (DIN - 01887411), who holds the office of Independent Director of the Company up to the date of this Annual General Meeting (i.e. Thirtieth Annual General Meeting) & who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act & Regulation 16 (1) (b) of the Listing Regulations, 2015 be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of Five (5) years i.e. from the date of this Annual General Meeting (i.e. Thirtieth Annual General Meeting) up to the date of the Thirty Fifth (35th) Annual General Meeting of the Company to be held in the financial year 2024.”

Item No. 4: Approval of Related Party Transactions

To consider and if thought fit, to pass with or without modification following resolution as an ordinary resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 & Regulation 23(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2014, as amended

from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be and is hereby accorded to the Board of Directors of the company to enter into contracts and/or agreements with related parties as defined under the Act with respect to Sale, purchase or supply of goods or materials, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or appointment of such related party to any office or place of profit in the company, or its subsidiary or associate company or any other transactions of whatever nature with related parties with effect from the conclusion of this Annual General Meeting till the conclusion of the Annual General meeting to be held in the calendar year 2020 up to the maximum 100 crore as provided in the Explanatory statement forming part of this Notice.

FURTHER RESOLVED THAT the Board of Directors of the company, be and is hereby authorised to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising out of or incidental to the proposed transactions and generally to do all acts, deeds and things that may be necessary proper, desirable or expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution. ”

Item No. 5:- To Consider and Approve Disinvestment in Subsidiaries of the Company

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

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

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

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

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

**By the Oder of the Board of Directors
For MPS Infotecnics Limited**

**SD/-
Peeyush Kumar Aggarwal
Chairman & Managing Director
DIN: 0009042**

**Date: 10/08/2019
Place: New Delhi**



NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to the Special Businesses to be transacted at the Annual General Meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE ON A POLL ON HIS/HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 a person shall not act as proxy for more than fifty (50) members and hold 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 Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. A blank proxy form is being sent herewith. The instrument appointing proxy, duly stamped completed and signed should be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the meeting. Proxies submitted on behalf of companies must be supported by appropriate resolution issued on behalf of the nominating companies. All alterations made in the Form of Proxy should be initialled.
4. Corporate Members intending to send their authorized representative to attend the meeting are requested to send (in advance) at the Registered Office of the Company, a duly certified copy of the relevant Board Resolution / Letter of Authority / Power of Attorney, together with the respective specimen signatures of those representative(s), pursuant to Section 113 of the Companies Act, 2013, authorizing their representative(s) to attend and vote on their behalf at the Annual General Meeting.
5. The Attendance Slip and a Proxy Form with clear instructions for filing, stamping, signing and/or depositing the Proxy Form are enclosed. Members /Proxy holder must bring the attendance slip (attached herewith) duly signed in accordance with their specimen signature(s) registered with the Company / Depository, to the meeting and handover it at the entrance of the meeting hall. The Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Route map and details of prominent land mark of the venue of the meeting is provided on the Attendance slip and forms part of the Notice calling the Annual General Meeting.
7. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, September 24th, 2019 to Monday, September 30th, 2019 (both days inclusive).
8. Inspection:
 - (a) All the documents referred to in the Notice and Annual Report are available for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) from 1 P.M. to 4 P.M. up to the date of the Annual General Meeting.
 - (b) The Register of Directors' and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection at the Annual General Meeting.
 - (c) A member can inspect the proxies lodged at any time during the business hours of the Company from the period beginning 24 hours before the time fixed for the commencement of the Annual General Meeting and ending with the conclusion of the said meeting, provided he / she has given to the Company a notice, in writing, of his intention to inspect not less than three days before the commencement of the said meeting.

9. Members desirous of obtaining any information / clarification concerning the Financial Statements for the Financial Year ended March 31, 2019, of the Company, may send their queries in writing atleast seven days before the Annual General Meeting to the Company Secretary at the Registered Office of the Company or at E-Mail Id: info@mpsinfotec.com
10. Additional information, pursuant to the Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on Director recommended by the Board for re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance annexed with the Annual Report. The Directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the rules made thereunder.
11. The Green Initiative introduced by the Ministry of Corporate Affairs, The Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent in electronic mode to members whose E-Mail address are registered with the Company or the Depository Participants. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those members who have not registered their E-Mail address with the Company or the Depository Participants or from whom the Company has received a request for a physical copy of the Annual Report. The said documents are also available for download and may also be accessed on the website of the Company viz. www.mpsinfotec.com under “Investor Zone”
12. Members are requested to notify immediately about any change in their postal address/ E-Mail address /bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company’s Registrar and Share Transfer Agent, viz. M/s MAS Services Limited having its office at T-34, IInd Floor Okhla Industrial Area Phase-II New Delhi-110020.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the RTA.
14. Members may also note that the Notice of the 30th AGM and the Annual Report 2018-19 will be available on the Company’s website, www.mpsinfotec.com as well as on the Stock Exchange Websites i.e., www.nseindia.com & www.bseindia.com.
15. Members who are holding Company’s shares in dematerialized form are required to bring details of their Depository Account Number for identification.
16. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send share certificates to the Company for consolidation into a single folio.

Members who hold shares in physical form are advised to convert their shareholding in dematerialized form with their depository participant as shares in physical form cannot be traded in terms of SEBI notification bearing no. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018. The said notification is available on SEBI’s website, “www.sebi.gov.in”.
17. In all correspondences with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID No.
18. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company’s Registrar and Transfer Agent. In respect of shares held in electronic / Demat form, the nomination form may be filed with the respective Depository Participant.

“ANNEXURE TO NOTICE”

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.2

Mr. Rachit Garg is a Non- Executive Director of the Company & Chairman of Stakeholders Relationship Committee. At the Twenty Ninth (29th) Annual General Meeting of the Company held on September 29, 2018, Members of the Company had approved appointment of Mr. Rachit Garg (DIN - 07574194) as a Non-Executive Director of the Company, liable to retire by rotation.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rachit Garg holds office up to the conclusion of the ensuing AGM.

And pursuant to the provisions of Section 160 of the Companies Act, 2013 as amended, the Nomination and Remuneration Committee, in its meeting held on 10th August 2019 has recommended the candidature of Mr. Rachit Garg for the office of Director, to be re-appointed as such under the provisions of Section 149, 152 (6) of the Companies Act, 2013.

Appointment of Mr. Rachit Garg, as Director of the Company shall be liable to retire by rotation pursuant to the provisions of section 152(6) of the Companies Act, 2013.

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

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

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

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

- Onus Plantations And Agro Limited
- Kanhai Cements Works Private Limited
- Onshore Shipping Limited.
- Eroads Infrastructure Private Limited
- MPS Informatics Private Limited
- Eshoppers India Limited
- Hamilton Homes Private Limited
- Pavilion Heights Private Limited
- Tropicana Homes Private Limited
- Diplomat IT Systems Private Limited
- Saturn Infocom Limited

- Omkam Infotel Private Limited.
- Magnum Plasticizer And Allied Products Private Limited
- K V Cements Private Limited

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

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

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

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

Item No. 3

Mr. Manoj Kumar Jain is an Independent Director of the Company and Chairperson of the Risk Management Committee of the Board of Directors of the Company. Apart from being a chairperson of Risk Management Committee, he is also a member of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee.

At the Twenty Fifth (25th) Annual General Meeting of the Company held on December 30, 2014, Members of the Company had approved appointment of Mr. Manoj Kumar Jain (DIN - 01887411) as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five (5) consecutive years commencing from the Twenty Fifth Annual General Meeting of the Company.

As per Section 149(10) of the Companies Act, 2013 ('the Act'), an Independent Director is eligible for re-appointment for a second term of up to 5 years upon passing of a Special resolution by the Shareholders of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable that the Company continues to avail services of Mr. Manoj Kumar Jain as an Independent Director.

As the current term of appointment of Mr. Manoj Kumar Jain (DIN - 01887411) is expiring at the ensuing Annual General Meeting of the Company, your Board, based on the performance evaluation and recommendation of the Nomination and Remuneration Committee of the Board and after reviewing declaration of independence received from Mr. Manoj Kumar Jain, recommends re-appointment of Mr. Manoj Kumar Jain as an Independent Director for a second term of Five (5) years commencing from the date of this Thirtieth (30th) Annual General Meeting up to the Thirty Fifth (35th) Annual General Meeting of the Company to be held in the financial year 2024. Requisite consent has been received from Mr. Manoj Kumar Jain pursuant to provisions of Section 152 of the Companies Act, 2013.

In the opinion of the Board, Mr. Manoj Kumar Jain, who is proposed to be re-appointed for the second term as an Independent Director of the Company, fulfils the conditions specified under Section 149(6), Schedule IV of the Companies Act, 2013 and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is Independent of the management.

Brief Profile of Mr. Manoj Kumar Jain (DIN: 01887411)

Mr. Manoj Kumar Jain, (DIN: 01887411) aged about 53 years is a Commerce Graduate and Management consultant by profession and advises on various aspects of management. He has a vast experience of 25 years in the field of General & Financial Management.

Mr. Manoj Kumar Jain holds directorship and membership of the Committees of the Board of Directors of the under stated other companies in India:

1. North Eastern Carrying Corporation Limited __ Independent Director

- Audit Committee – Chairman
- Nomination & Remuneration Committee – Chairman
- Stakeholders Relationship Committee – Chairman

2. Advik Laboratories Limited __ Independent Director

- Audit Committee – Chairman
- Nomination & Remuneration Committee – Chairman
- Stakeholders Relationship Committee – Chairman

Your Board recommends the Special resolution as set out in Item No. 3 for your approval.

Interest of Directors and KMP: None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Manoj Kumar Jain (whose appointment is proposed in the resolution) is in any way concerned or interested in the resolution.

Mr. Manoj Kumar Jain, the proposed director, holds 82,500 Equity Shares in the Company.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

Item No. 4

In light of provisions of Section 188 (1) of the Companies Act, 2013 and rules made thereunder, the Audit committee and Board of Directors of the Company have approved the transactions along with the annual limits that your company may enter with its related parties for the financial year 2019-20.

All disclosures prescribed to be given under the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 are provided in the table appended below for the perusal of the members.

(a)

Name of the Related Party	Nature of relationship	Nature of the transaction	Maximum Expected Value of the transactions per annum (Rs.)	Nature, duration of the contract and particulars of the contract or arrangement:
Mr. Peeyush Kumar Aggarwal	Key Managerial Personnel	Unsecured Loans Received	50.00 Crores	Unsecured Loans Repayable on demand or as and when the Company has surplus funds.
M/s. Omkam Global Capital Private Limited	Entities in which KMP (Mr. Peeyush kumar Aggarwal can exercise significant influence	Other Payables – Unsecured	50.00 Crores	Advances from Customers for development of Software.

- (b) **Any advance received for the contract or arrangement-** Rs. 39,564,853 (Rupees Thirty nine million, five hundred sixty four thousand, eight hundred and fifty three only) from M/s. Omkam Global Capital Private Limited.
- (c) **Manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract:** All proposed transactions would be carried out as part of the business requirements of the Company and are ensured to be on arm's length basis.

Members are hereby informed that pursuant to second proviso of section 188(1) of the Companies Act, 2013, no member of the company shall vote on such ordinary resolution to approve any contract or arrangement, if such member is a related party.

Your Directors recommend the resolution for your approval.

Except Mr. Peeyush Kumar Aggarwal & M/s. Omkam Global Capital Private Limited & their relatives, none of the Directors, Key Managerial Persons of the Company and their relatives is/are concerned or interested in the resolution except to the extent of their shareholding.

Item No.: 6

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

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

Axis Convergence Inc. and Greenwire Network Ltd. are in the business of providing International Long Distance telephony. Axis Convergence Inc. was at one point in time one of the top 5 customers for Bharti Airtel and biggest player in the retail market for international voice cards. However, due to advent of free internet telephony products in the mobile phone like skype, whatsapp, etc., the overall market size gradually went low. This has led to intense competition in the market to grab as much share as possible between players and Axis Convergence Inc. and Greenwire Network Ltd. were out played by the market forces. Mobile messaging business went down gradually due to advent of mobile messaging platforms like whatsapp and many others. As the business of these two subsidiaries have come down considerably and to revival of the business of these companies would need a sizable amount of investment which in the present scenario is not feasible.

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

Further your company intends to focus on its existing business, hence the board of directors in its meeting held on 10th August 2018 had decided to disinvest entirely the whole or substantially the whole of its investment in the said subsidiaries, which in the opinion of the Board is in the overall interest of the Company. The proposed Special Resolution provide adequate flexibility and discretion to the Board to finalize the terms of sale in consultation with the advisors, experts and / or other authorities as may be required.

Pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, as amended, a company cannot sell, lease, or otherwise dispose of the whole or substantially the whole of the undertaking without the consent of the members by way of a special resolution at the general meeting of the Company. Further in terms of Regulation 24(5) of the Listing Regulations, 2015, as amended from time to time, a listed entity shall not dispose of shares

in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing special resolution in its general meeting. In view of the provisions contained in Companies Act, 2013 & Listing Regulations, 2015, the Company would require the approval of the Members of the Company through Special Resolution, for disinvesting its shareholding in the above mentioned three subsidiaries.

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

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

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

**By the Oder of the Board of Directors
For MPS Infotecnics Limited**

**Sd/-
Peeyush Kumar Aggarwal
Chairman & Managing Director
DIN: 00090423**

**Date: 10/08/2019
Place: New Delhi**

e- Voting Instructions:

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 30th Annual General Meeting to be held on Monday, September 30, 2019, at 10:00 a.m. The Company has engaged the services of the Central Depository Services Limited (CDSL) to provide the e-voting facility. The Notice is displayed on the Company’s website, www.mpsinfotec.com, and on the website of CDSL, www.evotingindia.com The e-voting facility is available at the link, www.evotingindia.com:

1. Voting, either through electronic voting system or ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting;
2. The members who have cast their vote by remote-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again;
3. The e-voting will commence at 9.00 a.m. on September 27th, 2019 and will end at 5.00 p.m. on September 29th, 2019.
4. The shareholders should log on to the e-voting website www.evotingindia.com.
5. Click on Shareholders.
6. 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.
7. Next enter the Image Verification as displayed and Click on Login.
8. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
9. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both de-mat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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. • 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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your d-emat account or in the company records in order to Login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

10. After entering these details appropriately, click on “SUBMIT” tab.
11. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in de-mat 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 de-mat 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.
12. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
13. Click on the EVSN: 190816040
14. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
15. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
16. 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.
17. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
18. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
19. If a de-mat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

20. 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 and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
21. 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

General guidelines for shareholders

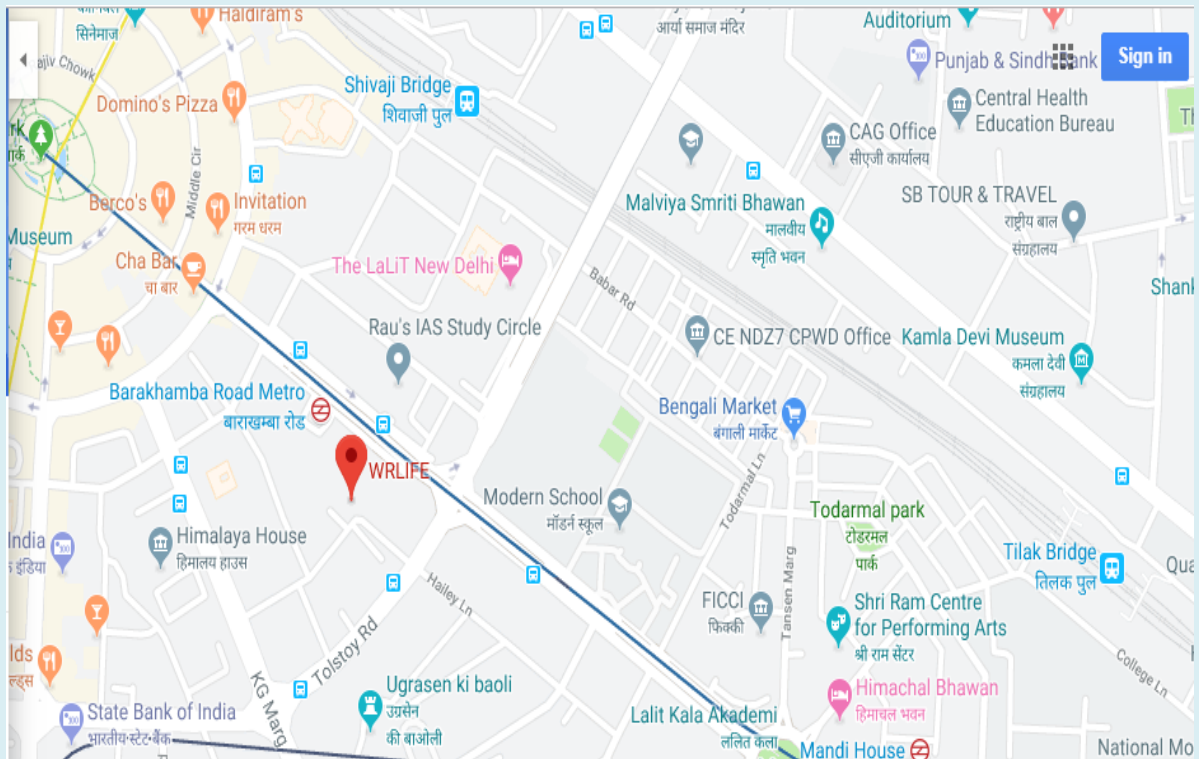
- i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly

authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to agrawal.kundan@gmail.com with a copy marked to www.evotingindia.com

- ii) It is strongly recommended that you do not to share your password with any other person and take utmost care to keep your password confidential. Log in to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details / Password?' or the 'Physical User Reset Password?' option available on www.evoting.nsdl.com, to reset the password.
- iii) The e-voting period commences on 27 September 2019 (9:00 a.m. IST) and ends 29 September (5:00 p.m. IST). During this period, members of the Company holding shares either in physical or dematerialized form, as on the relevant date i.e. 23 September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. A member will not be allowed to vote again on any resolution on which a vote has already been cast. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice convening the AGM and up to the cut-off date i.e. 23 September, 2019, may obtain his login ID and password by sending a request at www.evotingindia.com
- iv) The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the relevant date i.e. 23 September, 2019.

ROUTE MAP TO THE VENUE OF THE AGM

Route map of the venue of 30th Annual General Meeting of MPS Infotecnics Limited to be held on Monday, September 30, 2019 at 10.00 a.m. at the 703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-10001



Board's Report

Dear Members,

Your Directors have pleasure in presenting the 30th (Thirtieth) Annual Report on the business and operations of your company along with Audited Financial Statements for the financial year ended on March 31, 2019.

1. BUSINESS OPERATIONS & FINANCIAL RESULTS

MPS Infotecnics Limited ("MPS") is a company incorporated in the year 1989 under the erstwhile Companies Act, 1956, now The Companies Act, 2013 and is presently listed on BSE Limited and National Stock Exchange of India Limited.

The Company is presently engaged in the following areas:

- System Integration and Networking Solutions (Including Hardware)
- Enterprise Software
- Domain Registration & Web hosting services
- Telecommunication
- VAS & IT enabled services

Your Company provides entire range of Servers, Desktop and Notebook computers from HP, IBM, Acer & Sun Microsystems. MPS also offer peripherals from Hewlett Packard, Samsung, Epson Corp. & Canon and Power Correction Equipment from APC. Your Company has arrangements with Cisco Systems, HP Procurve, Nortel Networks, 3Com and Allied Telesyn for providing its clients specialized data communication equipment such as Routers, Switches & Remote Access Servers; Structured Cabling Systems from Systimax, AMP and Nexans; Wireless connectivity products from Cisco, SMC and NetGear; and storage solutions from HP, IBM, ADIC & EMC.

Your Company has field-proven expertise in all aspects of networking viz. Voice and Data Switching, X.25, Frame Relay, ATM, VLAN, SNA and APPN, TCP/IP, Satellite, Radio and Fiber-Optic Transmission, Local Area Networks (LAN), Wide Area Networks (WAN) and Communication Software.

MPS spotted the potential of the Indian Software Industry in its teething stages and developed various enterprise applications and off the shelf software products, which were focused around the customer's business processes. The Company has domain knowledge of ERP, ERP Consulting and Client Server technologies.

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

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

Your company had also developed B2B2C based multipurpose transaction platform <http://www.uvapoint.com> and had provided business opportunities to the people in remote areas of the country. The platform is used by

retailers for providing a host of services to the visiting customers such as prepaid Mobile recharge, Postpaid Mobile Bill Payment, DTH recharge, landline bill payments, data card recharge/payments, etc. However, with service providers themselves providing mobile applications for recharge, bill payments, etc. the business had gone down considerably.

In fact the business of the company has considerably declined in all the sectors / areas in which it is engaged in. The main reason for the decline in the company's business is due to stiff competition not only from the organised sector but also from un-organised sector; various e-commerce portals are providing their goods and services, along with lucrative schemes and that too on payment of cash; the company's business has suffered as the company has to procure goods and services on cash and selling them on credit; there are number of mobile application available, which again provides their goods and services with lucrative discounts and schemes.

Despite the fact that the company is facing stiff competition, yet, Your Company is exploring new avenues to increase its market share in the areas in which it operates. Your company expects to gain substantial amount of the market share in the times to come.

2. FINANCIAL RESULTS

The Financial Results (Standalone & Consolidated) of the Company for the period under review are as follows: -
(₹ in lacs)

PARTICULARS	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Income from Operation	1700.39	7705.11	1700.39	7776.73
Other Income	12.49	685.86	12.49	685.87
Total Income	1712.88	8390.97	1712.88	8462.59
Total Expenditure	1835.52	7907.45	1835.52	7979.47
PBID & Tax	(122.63)	483.52	(122.63)	483.13
Interest	59.99	321.17	59.99	321.17
Depreciation	352.14	162.53	352.14	162.53
Profit before tax	(534.76)	(0.18)	(534.76)	(0.56)
Provision for Taxation	-	-	-	-
Earlier Year Tax	-	(360.28)	-	(360.28)
Deferred Tax	348.38	108.98	348.38	108.98
Profit After Tax (PAT)	(883.14)	251.13	(883.14)	250.74
Other Comprehensive Income	10.91	3.68	10.91	3.69
Total Comprehensive Income for the year	(872.23)	254.81	(872.23)	254.43
Profit b/f. from previous Yr.	(2284.89)	(2536.02)	(2284.40)	(2535.14)
Balance Carried to B/Sheet	(2819.65)	(2284.89)	(3167.54)	(2284.40)
Paid up equity share Capital	37744.37	37744.37	37744.37	37744.37
Other equity	6612.89	7485.12	7311.64	8141.02

3. DETAILS OF REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT

The Company has not revised its Financial Statements or Board's report for any of the three preceding financial years.

4. DIVIDEND

In view of the losses incurred by the Company, during the year under review, the Board of Directors of the Company has decided not to recommend any dividend.

5. RESERVE

In view of the losses, no amount is being carried to reserves.

6. CAPITAL STRUCTURE

There is no change in the issued, subscribed and paid-up equity share capital of the Company.

7. CHANGE IN THE NATURE OF BUSINESS, IF ANY.

There is no change in the nature of business of your company during the year under review and Your Company continues to engage itself in System Integration and Networking Solutions (Including Hardware); Enterprise Software; Domain Registration & Web hosting services; Telecommunication; VAS & IT enabled services. With stiff competition from the organised and unorganised sectors of the IT, ITeS and Telecommunication segment, your company is exploring new avenues to generate revenues for the company.

8. DETAILS OF SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATOR OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

Though there are no significant and material orders passed by the Regulator or courts or Tribunals impacting the going concern status and the Company's operations in future, yet in order to provide a true, fair and correct picture of the company, your company is providing below in brief litigations in which your company is involved, which may have an adverse impact on the company:

- (A) Your Company's name was included in the list of shell companies by SEBI and Stock Exchanges had placed trading restrictions on promoters / directors and placed the scrip in 'trade to trade' category with limitation on the frequency of trade and also imposed limitation on the buyers by way of 200% deposit on the trade value. NSE vide its order dated 10th January 2018, lifted / modified the actions envisaged in SEBI's letter dated 7th August 2017 and appointed M/s. M.K. Aggarwal & Co., Chartered Accountants as forensic auditor to conduct audit of the affairs of the Company. The Forensic Auditors had concluded the forensic Audit. NSE vide its letter dated 13th January 2019 had forwarded the Forensic Auditor's report and have sought clarification on certain observations made by the Forensic Auditors. Your Company has already replied to the said queries / observations and is awaiting the response of NSE.
- (B) The funds raised by the Company from GDR issue during F.Y. 2007-08 were kept in fixed deposit account with Banco Efisa, Lisbon, Portugal, as the said amount was to be deployed in terms of INFORMATION MEMORANDUM of the GDR issue. During the F.Y. 2008-09, Banco Efisa, the Bank in Portugal, wrongly debited an amount of USD 8,883,210.75 out of the balance lying in the Company's Account with the Bank. The Company has denied and disputed this debit and had initiated civil and legal action under Portuguese Law in Lisbon at Portugal.

However, during the pendency of the legal actions taken by your company, SEBI also started investigating the company's GDR issue. In January 2018, SEBI issued Show Cause Notice as to why suitable directions should not be issued for violation of various regulation of SEBI (PUFTA) Regulations, 2003. Your

Company has suitably replied to the same. In the reply submitted by your company with SEBI in response to the SCN, had sought personal hearing in the matter. However, your company was served with a supplementary show cause notice where SEBI calling upon your company to show cause as to why the amount be not recovered from the company. Your company has replied the said supplementary Show Cause Notice.

Instead of providing an opportunity for personal hearing, SEBI yet again served upon the company notice to show cause as to why SEBI should not hold inquiry and impose penalty which has been suitably replied by your company.

A personal hearing in the matter was granted to your company which was availed and have suitably argued the matter and upon conclusion of the arguments, Your Company has also submitted written submission. Your Company is awaiting the final orders.

(C) The Company had increased its Authorised Share Capital during the Financial Year 2010-11 to 2012-13 however, due to technical issues necessary forms along with the fees w.r.t. increase in authorised Capital could not be filed and paid. Meanwhile the schedule of fees was increased as per the Companies Act, 2013. However, the Authorised Share Capital was increased prior to the applicability of Companies Act, 2013. The company has filed a Writ Petition bearing No. WP(C) 5199 of 2015 before the Hon'ble High Court of Delhi challenging the applicability of provisions prescribed under Para 3 of Table B under Companies (Registration Offices and Fees) Rules 2014, which has been decided against the Company. On the advice of Company's Advocates, Company Law experts, your company has preferred an appeal before the Hon'ble Supreme Court of India. Your Company's Counsels are of the opinion that your company has a fit case for filing an appeal however, in the eventuality, orders passed against the company, the same may not impact the going concern status and the Company's operations in future as necessary provision in the books of accounts have been made in the books of the Company.

9. BUSINESS PERFORMANCE /FINANCIAL OVERVIEW

Your company is presently engaged on the following areas:

- **IT Solutions & Products, which comprise of:**
System Integration and Networking Solutions (including Hardware);
Enterprise software;
Trading of UID Kit.

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

During the year under review, the revenue generated from the segment was Rs. 11.51 lacs the breakup of which is as under:

Print EPIC Cars	Rs. 10.87 Lacs
PAN Card Coupon Sale & Antivirus Sale	Rs. 0.65 Lacs

- **IT Enabled Services comprising of:**

Domain Registration & Web Hosting Services
VAS & IT enabled Services
Aadhaar Enrolment
Printing of Election Cards

*SignDomains*TM is India's first ICANN Accredited domain registrar which offers on-line domain registration of top level domains (TLD) including .com .net .org .info .biz .in etc. to name a few. The Company has tied up with various top level TLDs and offer these TLDs to our clients through its network of over 500 Re-sellers as well as directly by the Company.

Your Company is catering to a client base of over 6500 clients, through its on-line presence and secure payment gateway. *SignDomains*TM has several corporates, large portals, resellers and end-users as its clientele.

Your Company also offers web-hosting solutions on MPS dedicated servers located at server farms and data centres located in US. Presently your company is hosting around 250 websites which includes websites of corporates, individuals, corporations, firms, etc.

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

Your Company was engaged by CSC e-Governance Services India Ltd. a Central Government organization for providing support for the implementation of the Election project in the state of Gujrat. We were also engaged by CSC e-Governance Services India Ltd. for printing of Election Cards. Currently the contract with UIDAI had not been renewed, but your company is still trading on EPIC card.

During the year under review, the company had generated revenue of Rs. 50.06 lacs, the breakup of which is as under:

Web Hosting	Rs. 3.52 Lacs
Domain Registration – which includes exports of Rs. 1.74 lacs	Rs. 32.47 Lacs
Software Development	Rs. 10.00 Lacs
Server Management Charges	Rs. 2.30 Lacs
SMS Service Charges Sale	Rs. 1.26 lacs
UID Aadhar Generation & Service revenue	Rs. 0.51 Lacs

- ***Telecommunication, through web portal www.uvapoint.com comprising of DTH, Postpaid, prepaid mobile recharge.***

The portal www.uvapoint.com was developed by the company in order to capitalize on the telecom enabled services market in India. This retail platform offered a host of telecom enabled services to customers ranging from prepaid mobile top-up, post-paid mobile bill payment, DTH recharge, landline bill payments, data-card recharge / payments, bulk SMS, mobile application and software application. Your company had reaped fruits from the portal till last year, however, with stiff competition not only from the service provider themselves but also from various other e-commerce platform, vary low margins, long credit days are some of the constraints with which the company was operating which led to decline in revenues. During the year under review, the revenues generated from Top up – Air Time was Rs. 1638.82 Lacs.

As the numbers indicate the performance of Your Company is far from satisfactory which is basically due to stiff competition not only from organised sector but from Un-organized sector as well coupled with low margins, can't maintain stock due to launch of new and improved products at low prices; consequently the products becoming obsolete and sold at low prices resulting into loss, purchase of products and services on cash and selling the same on credit. In spite of above factors, your company is aggressively working on exploring new areas in the above sectors and increase its market share consequently increasing the stake holders worth.

During the fiscal year 2018-19, the revenues from operations (standalone basis) aggregated to Rs. 1700.39 lacs (Previous year - Rs. 7705.11 lacs) registering a decline in revenues from operations by Rs. 6004.72 lacs (decline by 77.93%). The revenues from operations (Consolidated basis) aggregated to Rs. 1700.39 lacs (Previous year -

Rs. 7776.73 Lacs) registering a decline in revenues from operations by Rs. 6076.34 lacs (a decline in revenues by 78.14%).

The Company on standalone basis has suffered a loss, before tax, of Rs. 534.76 Lacs and loss after tax (including other comprehensive income), of Rs. 868.54 Lacs. The Consolidated loss before tax stands at Rs. 535.08 lacs and loss after tax (including other comprehensive income) of Rs. 868.86 lacs.

The losses in the company are attributable to decline in business as well as due to increase in Depreciation and Amortisation expenses. The Depreciation and amortization expenses increased by Rs. 1,89,60,608/- during the year under review, which is 116.65% of the depreciation charged during the previous financial year.

The Company is struggling to cope up with the tough Competition not only from the existing IT companies but also from small traders flooding the already saturated IT & ITeS Segment who are providing products at very low margins. The company is also facing tough competition from the players in the unorganized sector, low margins and high credit. The management is of the view that with better utilization of resources, operations of the company will improve. The Company is also exploring other avenues of increasing its market share consequently increasing the stakeholders value.

Though the IT Solutions & Products segment has been underperforming, which is mainly due to tough competition, low margins and long credit period yet your company is taking stern steps to increase its market share in IT Solution & Products segment and is optimistic of a steady growth rate in this sector in the coming years.

Majority of the revenues of the company are from the telecommunication segment, which in the recent past had been facing tough competition from the service provider as well as various e-commerce sites, which have ventured into B2B2C based multipurpose transaction platform, VAS and bill payment. The margins are very low in mobile and DTH recharge, however, your company is constantly trying to increase the margins by providing other products like mobile applications, VAS, games, etc. The Company is also exploring to venture into exporting mobile phones and has started exporting mobile phones, thus not only generating revenues for the company, also generating valuable foreign currency for the country.

SEGMENT WISE PERFORMANCE

The segment wise revenues and profits / (loss) are tabulated hereunder:

Segment	Amount (Rs. in Lacs)			
	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
IT Solutions & Products	11.52	196.55	11.52	196.55
IT Enabled Services	50.05	50.14	50.05	50.14
Telecommunication	1,638.82	7,458.43	1,638.82	7,530.04
Total	1,700.39	7,705.12	1,700.39	7,776.73
Segment results - Profit / (loss) (before Interest & Tax)				
IT Solutions & Products	(4.36)	(3.24)	(4.36)	(3.24)
IT Enabled Services	(26.27)	4.13	(26.27)	4.13
Telecommunication	(88.72)	(186.41)	(88.72)	(186.80)
Total	(119.35)	(185.52)	(119.35)	(185.91)
Less: Interest	59.99	321.17	59.99	321.17
Less: Other un-allocable Expenditure net off.	367.92	179.36	367.92	179.35
Add: Un-allocable Income	12.49	685.87	12.49	685.87
Profit before Tax	(534.77)	(0.18)	(534.77)	(0.56)

The decline in the business of the Company is continuing, which is mainly due to stiff competition both from the organised sector as well as unorganized sector, low margins, long credit periods, purchase of stock in cash and sale on credit; number of mobile applications for making long distance calls including video calls, various e-commerce sites which are providing similar / same services with lucrative schemes; etc. Though all the segments in which your company is operating are under performing, however, the company is exploring to venture into newer areas within the above segments to increase its revenues and consequently increase in the stakeholders value. Your company is optimistic that the steps that it is taking will eventually yield better results in the times to come. Your company has already ventured into exporting mobile phones and has started generating revenues for the company and also generating valuable foreign currency for the country.

To focus itself in its existing areas of operations, the company had decided to sell its stake in its subsidiaries, however, the Board of Directors had deferred its decision to sell due slackness in the area of operation in which these subsidiaries are. Things are improving and hence the Board of Directors of the Company has once again proposed to sell its stake in its subsidiaries to enable it to focus on its core business i.e. Development of Enterprise Software; Domain Registration & Web-hosting and Telecommunication.

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

During the year under review, M/s. M.K. Aggarwal & Co., Chartered Accountants, Forensic Auditors appointed by National Stock Exchange of India Limited, had submitted their report to the Exchange. The report, though contains certain observations by the said Forensic Auditors, however, are not major. Your company has submitted its response to the observations made by the Forensic Auditors to National Stock Exchange of India Limited and awaiting the response from the National Stock Exchange of India Limited.

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

In summary, despite various limitation and adversaries which your company is facing, due to which the revenues had declined, yet your company is exploring exporting mobile phones, and also exploring newer avenues of business to increase its market share consequently increasing the stakeholders value.

10. DETAILS OF SUBSIDIARY/ JOINT VENTURE/ASSOCIATE COMPANIES

Presently your company has three (3) wholly owned foreign subsidiaries namely, M/s. Axis Convergence Inc, incorporated in Mauritius; Greenwire Network Limited, a company incorporated under the laws of Hong Kong; and Opentech Thai Network Specialists Co. Ltd., incorporated under the laws of Thailand. In the AGM held on 29th September 2018, the members, on the recommendation of the Board of Directors, had approved dis-investment in these wholly owned subsidiaries as it wanted to concentrate itself in its existing business. Your Company had deferred its decision to sell its stake as the market conditions were not conducive for such sale. The Board of Directors of your company are of the opinion that the market conditions are expected to improve hence has once again sought approval from the shareholders for sale of stake in these subsidiaries.

The main business of the subsidiary companies is sale & purchase of telecom services viz. International Voice minutes and promotional SMS pack. The work is online and the ground work is done by the agents / companies in their respective country. Further the management of the work is wholly software driven like SMS gateways and soft switches for voice.

Though there has not been any material change in the nature of the business of the subsidiaries, yet during the year under review, these subsidiary companies have not contributed to the consolidated revenues of the company on account to various factors some of which have already been mentioned above.

The Board of Directors of your company regularly reviews the affairs of the subsidiaries. The performance and financial position of the subsidiaries included in the consolidated financial statement is provided in accordance with the provisions of section 129(3) read with Rule 5 of the Companies (Accounts) Rules, 2014 and contains the

salient features of the financial statement of the company's subsidiaries in form – AOC-1 in “Annexure - A” to this report.

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

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

11. HUMAN RESOURCES

William R. Tracey, in "The Human Resources Glossary," defines Human Resources as: "The people that staff and operate an organization," as contrasted with the financial and material resources of an organization.

A human resource is a single person or employee within your organization. Human resources refer to all of the people, entities employ.

Human Resources is also the function in an organization that deals with the people and issues related to people such as compensation and benefits, recruiting and hiring employees, on boarding employees, performance management, training, and organization development and culture.

At MPS we believe that while Technology can enable processes but it is the People who actually make things happen. We also believe that people are an organization's most important resource. People are an organisation's most significant asset. In a journey of delivering tangible business value to stakeholders, Associates are envisioned as a strategic differentiator for the Company.

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

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

12. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company consists of four members, out of which two are Independent Directors, which includes a woman director. The composition of the Board comprise of a Managing Director, who is promoter of the company also; one Non-independent non-executive director; and two Independent Directors.

Mr. Rachit Garg retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

Mr. Manoj Kumar Jain was appointed as an independent director at the twenty fifth Annual General Meeting (AGM) held on 30th day of December 2014, for a period of five years. Based on the recommendation of the

Nomination and Remuneration Committee, his re-appointment for a second term of five years is proposed at the ensuing AGM for the approval of the Members by way of Ordinary Resolution.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company. No sitting fees, commission has been paid by the company to the Non-executive Director of the Company except reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2019 are: Mr. Peeyush Kumar Aggarwal- Managing Director, Mr. Sanjay Sharma - Chief Financial Officer, Miss. Prachi Sharma - Company Secretary.

The Policy on Director’s appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director and also remuneration for key managerial personnel and other employees, forms part of the Corporate Governance Report of this Annual Report. During the year, Performance Evaluation of Independent Directors and other Board Members as well as committees of the Board was done in terms of the Act and Regulations.

13. COMMITTEES OF THE BOARD

As on March 31, 2019, the Board had five committees namely: the audit committee, the nomination & remuneration committee, the stakeholders’ relationship committee, Corporate Social Responsibility and Risk Management Committee. All Committees consists of Independent Directors. A detailed note on the composition of the Board and its committees is provided in the *Corporate Governance Report* section of this Annual Report.

14. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations., 2015.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and nonexecutive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

15. REPORTING OF FRAUDS BY AUDITORS

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

16. MANAGERIAL REMUNERATION

The statement containing particulars of employees as required under section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. However, as per the provisions of Section 136 of the Companies Act, 2013, the reports and accounts are being sent to all the members of the Company and others entitled thereto, excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company. The said information shall also be made available for inspection at the registered office of the Company during working hours.

17. 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, at http://www.mpsinfotec.com/investors_zone.

18. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director, and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website, at http://www.mpsinfotec.com/investors_zone.

There has been no change in the policy since last fiscal.

None of the directors of the Company received any remuneration or commission from Subsidiary Companies of your Company.

The details of remuneration paid to the Directors including Executive Director designated as Managing Director of the Company are given in Form MGT-9 forming part of the Directors Report.

19. BOARD & COMMITTEE MEETINGS

The board met 7 times during the financial year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

The details pertaining to the composition of the Board and that of its committees and such other details as required to be provided under Companies Act, 2013 are included in the Corporate Governance Report, which form part of Annual report.

20. MEETING OF INDEPENDENT DIRECTORS

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

From time to time familiarization program are arranged by the Company for Independent Directors with regard to their roles, rights, responsibilities with the Company, the nature of the industry in which the Company operates and business model of the Company and as and when the familiarization program are conducted the same are displayed under Investors Zone on the company's website www.mpsinfotec.com.

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

There are no material changes affecting the Financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statement relate and the date of the Report.

22. DIRECTOR'S RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards), Amendment Rules, 2016. The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with applicable transition guidance. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

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

Based on the framework of internal financial controls and compliance systems established and maintained by the company, work performed by the Internal, statutory and secretarial auditors and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.

23. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

24. AUDITORS

A. Statutory Auditor

At the 29th Annual General Meeting held on 29th September 2018, the members approved appointment of M/s. Nemani Garg Agarwal & Co., Chartered Accountants (Firm Registration No. 010192N) were appointed as Statutory Auditors of the Company from to hold office to hold office for a period of five years from the conclusion of that SGM till the conclusion of the AGM to be held in the 2023, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

AUDITOR'S REPORT

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

- I. In the following items shown as intangible Assets / inventory, there has been no progress
 - (a) Capital work-in-progress - Rs. 56 Crores (Software development)
 - (b) Software rights - Rs. 36 crores
 - (c) Opening Stock (Source Codes) - Rs. 62 Crores
- II. Investment in subsidiaries Rs. 62 Crores - There are no operations in these overseas subsidiaries and no audit has been done and no updated information has been received
- III. The Company has shown in the balance sheet, bank balances in BancoEfisa (Lisbon Portugal) amounting to Rs. 347,892,163/- (USD 8,883,210.75) which the bank has adjusted and the matter is in the court of law. Consequently the bank balances shown in balance sheet is Overstated by Rs. 347,892,163/-
- IV. The Company has increased its Authorized Capital from Rs. 52.45 Crores to Rs. 377.50 crores during the period of FY-2010-11 to FY 2012-13, RoC fees of Rs. 4.88 crores towards the same stands payable, under the head "Other Current Liabilities" in the IND AS Financial Statements (refer note no. 13 of the Standalone Balance Sheet).
- V. Income Tax for the Assessment year 2013-14 amounting to Rs. 20.80 lacs and interest thereon is payable.

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

1. The Company will be able to take business benefits once adequate funds are realised from other assets of the Company. Adequate measures are being taken by the Company to realise these assets.

2. The company is making all efforts to revive the business in these subsidiaries, however, the same is possible once the company has realised funds from other assets of the Company.
3. The funds raised by the Company from GDR issue during F._Y. 2007-08 were kept in fixed deposit account with Banco Efisa, Lisbon, Portugal, as the said amount was to be deployed in terms of INFORMATION MEMORANDUM of the GDR issue. During the F.Y. 2008-09, Banco Efisa, the Bank in Portugal, wrongly debited an amount of USD 8,883,210.75 out of the balance lying in the Company’s Account with the Bank. The Company has denied and disputed this debit and had initiated legal action under criminal jurisprudence of Portuguese Law. Your Company has also initiated a strong civil action for recovery of USD 8,883,210.75, along with interest, against Banco Efisa and its Holding Company, wherein our Portuguese advocates confirm that the chances of recovery are very high. The suit filed by-your company before Portuguese courts is presently at an advanced stage and pending adjudication. In case the amount is not recovered, the reserves will be reduced by Rs. 3478.92 Lacs.
4. The Company had increased its authorized capital during the Financial Year 2010-11 to 2012-13 however, necessary forms along with the fees w.r.t. increase in authorized Capital could not be filed and paid. Meanwhile the schedule of fees was increased as per the Companies Act, 2013. However, the authorized capital was increased prior to the applicability of Companies Act, 2013. The company has filed a Writ Petition bearing No. WP(C)-5199 of 2015 before the Hon’ble High Court of Delhi challenging the applicability of provisions prescribed under Para 3 of Table B under Registration of Offices and Fees Rules 2014 which was decided vide Judgment and Order dated 15th January 2019. The Company has filed an SLP before the Hon'ble Supreme Court vide diary no. 18802-2019 dated 17-05-2019. Impact of additional fee for the FY 2017-18, computed as per Companies Act, 1956, amounting to Rs. 48.76 lacs have already been taken into effect in while computing profit / loss for the period. However, the profits will be impacted in case the company is directed to pay fees as per the Companies Act, 2013 which would reduce the profits by Rs. 391.23 lacs.
5. As regards Auditors’ remarks w.r.t. Income Tax for the Assessment year 2013-14 amounting to Rs. 20.80 lacs and interest thereon is payable. It is stated that your company has already provided for the amount payable towards Income Tax for AY 2013-14 along with interest hence this liability has no further impact on the profits / retained earnings of the reported period of the Company.

B. Secretarial Auditor

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

Annual Secretarial Compliance Report & Secretarial Audit Report

SEBI Vide its circular bearing no. CIR/CFD/CMD1/27/2019 dated February 8, 2019 mandated that all listed entities in addition to Secretarial Audit, on an annual basis, require a check by the PCS on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder.

In compliance with the said circular, M/s. Kundan Agarwal & Associates, Company Secretaries, the secretarial auditors of the Company to examine the compliance of all applicable SEBI Regulations and circulars / guidelines and provide their report. The Secretarial Auditors vide their report dated 25th May 2019, have reported that your company has maintained proper records under the provisions of SEBI Regulations and Circulars / Guidelines issued thereunder except for the following:

S. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary

1	Regulation 14 – Listing Fees & Other Charges	Not Paid	Listing fees Payment to BSE is pending from last one year and that of NSE is pending from last three years
2	Regulation 33 (3) (a) - Financial Results alongwith Limited review report/Auditor's report	Filed twice	In the first instance Limited review report was not submitted along with the financial statements of the company
3	Regulation 31 – Shareholding Pattern	Delayed	Company has delayed in filing shareholding pattern for the quarter 31st March 2018 by one day.
4	Regulation 46 – Website	Partial Disclosures	Company has not made proper disclosures regarding maintenance of website for the year ended March, 2019.
5	Regulation 44(3) - Voting Results	Delayed	Due to clerical delay
6	Regulation 30 – Outcome of Board meeting	Delayed	The outcome was filed twice and the final copy was filed after the expiry of 30 minutes from the conclusion of board meeting held on 30/05/2018.

Though there has been delay in submitting certain compliances with the stock exchanges, however, there has been no non-compliance.

The Secretarial Audit Report is provided as “**Annexure-B**”. There are observations, qualifications, reservation or adverse remark or disclaimer made in the Secretarial Audit Report which is enumerated hereunder:

- (a) Listing fees payment to BSE is pending from last one year and that of NSE is pending for the past more than 3 years.
- (b) Company has made partial disclosures regarding maintenance of website for the year ended 31st March 2019 and the same is not updated.
- (c) The Company has increased its Authorized Capital from Rs. 52.45 Crores to Rs. 377.50 crores during the period of FY-2010-11 to FY 2012-13, ROC fees of Rs. 3.42 crores towards the same stands payable, under the head “Other Current Liabilities” in the financial statements.
- (d) The Company has three foreign subsidiaries; however, the company is not regular in complying with RBI Directives issues in this regard as well as FEMA.

The Board's comments on the observations, qualifications, reservations or adverse remark are as under:

- (a) Due to considerable decline in the business of the company coupled with the funds that are available with the company are being utilized for repayments of loans from Banks. Arrangements are being made to clear the dues stock exchanges soon.
- (b) Pursuant to the observations made by the Secretarial Auditors, the website of the company has been updated.
- (c) As regards observations made by the Secretarial Auditor in its Secretarial Audit Report, the same has been appropriately dealt with in the Board's comments on the opinion made by the Statutory Auditors in their audit report hence the same is not being repeated herein for the sake of brevity.

C. Internal Auditor

Pursuant to the provision of the Companies Act, 2013, and Rules framed thereunder, the Board of Directors on the recommendation of the Audit Committee has appointed M/s. Sanghi & Co., Chartered Accountants as the Internal Auditor of the company for the FY 2019-20.

25. PARTICULARS OF EMPLOYEES

No employee were employed throughout the Financial Year who were in receipt of remuneration of Rs. one crore and two lakh rupees or no employee employed for a part of the financial year, was in receipt of remuneration of eight lakh and fifty thousand rupees per month.

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

26. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

Except Mr. Peeyush Kumar Aggarwal and M/s Omkam Global Capital Markets Private Limited, None of the Directors have any material pecuniary relationships or transactions with the Company except to the extent of their shareholding.

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

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

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

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

28. CORPORATE GOVERNANCE

A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding Compliance of conditions of Corporate Governance as stipulated under Listing

Regulations. A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter-alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee also forms part of Report on Corporate Governance.

29. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations, 2015 forms part of this Report.

30. RISK MANAGEMENT POLICY

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

31. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are disclosed in the financial statements as well as to the Notes to the financial statements provided in this Annual Report.

32. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to section 135 of Companies Act, 2013, Company has constituted a CSR Committee and also in line with requirement CSR Policy is formed by the Company the details of which are available on the website of the Company (URL: www.mpsinfotec.com/investors_zone). Due to inadequacy of profit the Company had not contribute any amount towards CSR activities as required under the CSR Rules, 2014.

The Corporate Social Responsibility Committee of the Company has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

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

The company's CSR Policy intends to:

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

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

Mr. Peeyush Kumar Aggarwal	Managing Director and Promoter and Chairman of the Committee.
Mr. Manoj Kumar Jain	Independent Director and Member of the Committee.
Mrs. Madhu Sharma	Independent Director and Member of the Committee.

Average net profit (Loss) of the company for last three financial years: (Rs. 5,07,66,889/-)

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

Details of CSR spent during the financial year:

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

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

33. DISCLOSURE REQUIREMENT

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

Details of familiarization programme of the independent directors are available on the website of the Company (URL: <http://mpsinfotec.com/pdf/Familiarization-Programme-for-Independent-Directors.pdf>)

Policy on dealing with related party transactions is available on the website of the Company (URL: <http://mpsinfotec.com/pdf/CC/Policy-on-Related-Party-Transaction.pdf>)

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

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

34. DEPOSITS

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

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

35. SECRETARIAL STANDARDS

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

36. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

37. RESEARCH & DEVELOPMENT

Your Company strives to deliver high quality services to its customers and in such endeavor, constantly invests in and undertakes research & development aimed at improving its solutions. MPS has a dedicated business unit for Research & Development which delivers innovative solutions to clients and also fosters R&D within all business units to create intellectual property in the form of re-usable components, frameworks, etc., which help drive greater productivity. The company is carrying on R and D in multiple forms, but all of these are focused on better efficiency through continuous improvement in processes, systems methodologies and capabilities. Your company is committed to provide I.T. solutions that are innovative and continuously upgraded in keeping with emerging technology trends by a motivated workforce that includes R and D group, on time; all the time; resulting in maximizing stake holder's value. We have continued to invest in some fundamental research involving small budget with long term perspective. In order to excel at new operations and activities MPS stress is on continuous innovation and research, based on market requirements and customer expectations.

38. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 Annual Return of the Company as at 31st March, 2019 is uploaded on the website of the Company at www.mpsinfotec.com & annexed as "Annexure-D", which forms part of this report.

39. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of foreign exchange earnings and outgo are as follows:

Particulars	Year ended 31.03.2019	(Rs. in Lacs)	
		Year ended 31.03.2018	
Foreign exchange earnings	1.73	0.74	
Foreign exchange Outgo	18.38	16.56	

40. ACKNOWLEDGEMENTS

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

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

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

**For and on Behalf of the Board of Directors
MPS Infotecnics Limited**

SD/-
Rachit Garg
Director
DIN: 07574194

SD/-
Peeyush Kumar Aggarwal
Managing Director
DIN: 00090423

Place: New Delhi

Date: 30/05/2019

“ANNEXURES TO DIRECTOR’S REPORT”

“Annexure-A”

FORM AOC-1				
<p>[Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014] Statement containing salient features of the financial statement of</p> <p>subsidiaries / associate companies / joint ventures</p> <p>Part "A": Subsidiaries</p> <p>(Information in respect of each subsidiary to be presented with amounts in Rs.)</p>				
Sl. No.	Particulars	Details		
1	Name of subsidiary	Axis Convergence INC	Greenwire Network Limited	Opentech Thai Network Specialists Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2018 to 31st March 2019	1st April 2018 to 31st March 2019	1st January 2018 - 31st December 2018
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	US Dollar	US Dollar	Thai Bhat
4	Share Capital	807,160.00	559,360.00	12,020,053.00
5	Reserves & Surplus	56,334,537.00	8,570,880.00	(12,128,208.83)
6	Total Assets	96,800,184.85	56,086,442.00	1,656,976.89
7	Total Liabilities (Excluding Capital & Reserves)	36,032,713.59	46,376,867.00	1,775,361.80
8	Investments	-	-	4,377.48
9	Turnover	-	-	-
10	Profit before taxation	-	-	-
11	Provision for taxation	-	-	-
12	Profit after taxation	-	-	-
13	Proposed Dividend	-	-	-
14	% of Shareholding	100%	100%	99.996%

- Names of subsidiaries which are yet to commence operations – **Not Applicable**
- Names of subsidiaries which have been liquidated or sold during the year – **Not Applicable**

Part "B": Associates and Joint Ventures			
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures			
Name of Associates or Joint Ventures	Not Applicable	Not Applicable	Not Applicable
1. Latest audited Balance Sheet Date	-	--	-
2. Date on which the Associate or Joint Venture was associated or acquired		-	-
3. Shares of Associate or Joint Ventures held by the company on the year end	-	-	-
No.	-	-	-
Amount of Investment in Associates or Joint Venture	-	-	-
Extent of Holding (in percentage)	-	-	-
4. Description of how there is significant influence	-	-	-
5. Reason why the associate/joint venture is not consolidated	-	-	-
6. Networth attributable to shareholding as per latest audited Balance Sheet	-	-	-
7. Profit or Loss for the year	-	-	-
i. Considered in Consolidation	-	-	-
ii. Not Considered in Consolidation	-	-	-

- Names of associates or joint ventures which are yet to commence operations – **Not Applicable**
- Names of associates or joint ventures which have been liquidated or sold during the year – **Not Applicable**

For and on behalf of the Board of Directors

Peeyush Kumar Aggarwal **Rachit Garg**
Managing Director **Director**
DIN: 00090423 **DIN: 07574194**

Prachi Sharma **Sanjay Sharma**
Company Secretary **Chief Financial Officer**

Place: Delhi
Date: 30/05/2019

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

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

To
The Members
M/s MPS INFOTECNICS LIMITED
703, Arunachal Building, 19,
Barakhamba Road, Connaught Place,
New Delhi-110001

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

We report that:

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We have not verified the correctness and appropriateness of the financial records and Books of the Company.
- c) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 (‘Audit Period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(Secretarial Audit Report for F.Y 2018-2019 for M/s MPS Infotecnics Limited)

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Indian Stamp Act, 1899;
- (vii) Indian Contract Act, 1872;
- (viii) Income Tax Act, 1961 and indirect tax laws;
- (ix) Applicable Labour Laws; and
- (x) Other applicable Laws;

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

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

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

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

(Secretarial Audit Report for F.Y 2018-2019 for M/s MPS Infotecnics Limited)

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 Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. But some documents, registers, files are needed to be maintained in more improvised and updated manner and should be in more consonance with the secretarial standards and provisions of The Companies Act 2013.
- All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. But further adherence to the rules and provisions of the act for drafting of minutes will be appreciated.

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

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

**Place: Delhi
Date: 30/05/2019**

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

**To,
The Members of
MPS Infotecnics Limited
703, Arunachal Building, 19,
Barakhamba Road, Connaught Place,
New Delhi-110001**

We Kundan Agrawal & Associates, Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MPS Infotecnics Limited** having CIN L30007DL1989PLC131190 and having registered office at 703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001 India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of appointment in Company
1.	Mr. Peeyush Kumar Aggarwal	00090423	03/09/1997
2.	Mr. Manoj Kumar Jain	01887411	02/06/2014
3.	Mr. Rachit Garg	07574194	30/05/2018
4.	Ms. Madhu Sharma	06947852	02/03/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the

efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kundan Agarwal & Associates
Company Secretaries
FRN: S2009DE113700

SD/-
Kundan Agrawal
Company Secretary
M. No. 7631
COP No. 8325

Date: 30/05/2019
Place: Delhi

FORM NO. AOC-2			
<i>Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto</i>			
<i>(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)</i>			
1 Details of contracts or arrangements or transactions not at arm's length basis – Not Applicable			
a	Name(s) of the related party and nature of relationship		
b	Nature of contracts/arrangements/transactions		
c	Duration of the contracts/arrangements/transactions		
d	Salient terms of the contracts or arrangements or transactions including the value, if any		
e	Justification for entering into such contracts or arrangements or transactions		
f	date(s) of approval by the Board		
g	Amount paid as advances, if any:		
h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188		
2. Details of material contracts or arrangement or transactions at arm's length basis			
a	Name(s) of the related party and nature of relationship	Mr. Peeyush Kumar Aggarwal - Promoter Director	Omkam Global Capital Pvt. Ltd. - Mr. Peeyush Kumar Aggarwal is also a Director in OGCL
b	Nature of contracts/arrangements/transactions	Unsecured loans received	Advances from Customers
c	Duration of the contracts/arrangements/transactions	N.A	N.A

d	Salient terms of the contracts or arrangements or transactions including the value, if any	The promoter director had been infusing funds from time to time for the smooth functioning of the Company and to meet short term fund requirements and as on 1st April 2018 the company had received Rs. 1737.61 lacs and during the year under review your company had received in aggregate a sum of Rs. 2.54 lacs. As on 31st March 2019, Mr. Peeyush Kumar Aggarwal has infused in aggregate a sum of Rs. 1740.15 lacs. The funds received by the promoter are repayable on demand and/or as and when the company has surplus funds and interest free.	Mr. Peeyush Kumar Aggarwal, Promoter Director of the Company is also a promoter director of Omkam Global capital Pvt. Ltd. (OGCPL). OGCPL is an Investment Company and also provides consultancy to its clients in financial products. OGCPL is desirous of getting a software developed from the company and for the said purpose has been advancing money. At the beginning of the year OGCPL had already advanced Rs. 336.49 Lacs. During the year under review OGCPL at the request of your company had advanced in aggregate of Rs. 59.16 lacs. The balance as on 31st March 2018 is Rs. 395.65 lacs. As the development of the software is taking time in completion on the advice of the auditors the said amount is now being shown under Current Liabilities - Other payables. The amount so received will be adjusted against final invoice or shall be returned without interest.
e	Date(s) of approval by the Board	30 th May, 2018	30th May 2018
f	Amount paid as advances, if any:	N.A.	N.A.
g	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	29th September 2018	29th September 2018

**For & on behalf of the Board
MPS Infotecnics Limited**

**Sd/-
Peeyush Kumar Aggarwal
Chairman & Managing Director
DIN: 00090423**

**Place: New Delhi
Date: 30th May 2019**

“ANNEXURE-
D”

FORM NO. MGT 9					
EXTRACT OF ANNUAL RETURN					
as on financial year ended on 31.03.2019					
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.					
I.	REGISTRATION & OTHER DETAILS:				
i	CIN	L30007DL1989PLC131190			
ii	Registration Date	20/01/1989			
iii	Name of the Company	MPS Infotecnics Limited			
v	Address of the Registered office & contact details	703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001			
vi	Whether listed company	Yes			
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Mass Services Limited T-34, II Floor Okhla Industrial Area, Phase, New Delhi-110020 Ph. No.: +91-11-26387281 82 83 Email Id: info@masserv.com			
II.	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY				
	All the business activities contributing 10% or more of the total turnover of the company shall be stated.				
S. No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company		
1	IT Solutions & Products	99831327	0.67%		
2	IT Enabled Services	99831326	2.94%		
3	Telecommunication	99849330	96.37%		
III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES					
S. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION

1	Axis Convergence Inc, Mauritius Level 2, Max city Building, Remy Oilier Street, Port Louis, Mauritius	Not Applicable	Subsidiary	100	2(87) (ii)
2	Green wire Network Ltd.,Hong Kong Block A, 15/F Hillier Commercial Building, 65-67 Bonham Strand East, Sheung Wan, Hong Kong.	Not Applicable	Subsidiary	100	2(87) (ii)
3	Open tech Thai Network Specialists Co. Ltd. Thailand 8/5 SoiSukhumvit 28 (Bannasam, Sukhumvit Rd., Klongton, Kolngtoey, Bangkok, Thailand	Not Applicable	Subsidiary	99.99	2(87) (ii)

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	
A. Promoters									
(1) Indian									
a) Individual/HUF	862,511,967	-	862,511,967	22.85140925	862511967	-	862511967	22.8514093	0
b) Central Govt. or State Govt.				0.00					0
c) Bodies Corporates	571,562,036	-	571,562,036	15.14	341000000	-	341,000,000	9.0344608	-6.11
d) Bank/FI	-	-	-	0.00			-		0.00
e) Any other	-	-	-	0.00			-		0.00
				0.00					0.00
SUB TOTAL:(A) (1)	1,434,074,003	-	1,434,074,003	37.99	1,203,511,967	-	1,203,511,967	31.8858701	-6.11
				0.00					0.00
(2) Foreign				0.00					0.00
a) NRI-Individuals	-	-	-	0.00	-	-	-	0	0.00
b) Other	-	-	-	0.00	-	-	-	0	0.00

Individuals									
c) Bodies Corp.	-	-	-	0.00	-	-	-	0	0.00
d) Banks/FI	-	-	-	0.00	-	-	-		0.00
e) Any other...	-	-	-	0.00	-	-	-	0	0.00
									0.00
									0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	1,434,074,003	-	1,434,074,003	37.99	1,203,511,967	-	1,203,511,967	31,885,870	-6.11
				0.00					0.00
				0.00					0.00
B. PUBLIC SHAREHOLDING				0.00					0.00
				0.00					0.00
(1) Institutions				0.00					0.00
a) Mutual Funds	-	-	-	0.00	-	-	-		0.00
b) Banks/FI	46,750	-	46,750	0.00	46,750	-	46,750	0	0.00
C) Central govt	-	-	-	0.00	-	-	-	0	0.00
d) State Govt.	-	-	-	0.00	-	-	-	0	0.00
e) Venture Capital Fund	-	-	-	0.00	-	-	-	0	0.00
f) Insurance Companies	-	-	-	0.00	-	-	-	0	0.00
g) FIIS	-	-	-	0.00	-	-	-	0	0.00
h) Foreign Venture Capital Funds	-	-	-	0.00	-	-	-	0	0.00
i) Others (specify)	-	-	-	0.00	-	-	-	0	0.00
				0.00					0.00
SUB TOTAL (B)(1):	46,750	-	46,750	0.00	46,750	-	46,750	0	0.00
				0.00					0.00
(2) Non Institutions				0.00					0.00
a) Bodies corporates				0.00					0.00
i) Indian	308,425,790	5,620,450	314,046,240	8.32	236,703,64	5,620,450	242,324,314	6,420,452	-1.90
ii) Overseas	128,161	-	128,161	0.00	128,161	-	128,161	0.0033955	0.00
b) Individuals				0.00					0.00

i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	440,734,186	3,146,636	443,880,822	11.76	520068930	3071636	523140566	13.8600966	2.10
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1,454,532,235		1,454,532,235	38.54	1620293988	-	1620293988	42.9281012	4.39
c) Others (specify)				0.00					0.00
i) Clearing Member	41,762,948	-	41,762,948	1.11	85469263		85469263	2.26442436	1.16
ii) Directors & their relatives	3,165,517	-	3,165,517	0.08	3,165,517	-	3,165,517	0.08386727	0.00
iii) Employees	1,175	-	1,175	0.00	1,175		1,175	0	0.00
iv) Non Resident Indians	82,660,054	138,600	82,798,654	2.19	95816147	138,600	95,954,747	2.54222698	0.35
v) Trust	150	-	150	0.00	3,450		3,450	0	0.00
NBFC's Registered with RBI		-		0.00	396757		396,757	0.01	0.01
SUB TOTAL (B)(2):	2,331,410,216	8,905,686	2,340,315,902	62.00	2,562,047,252		2,570,877,938	68.11	6.11
				0.00					0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	2,331,456,966	8,905,686	2,340,362,652	62.01	2,562,094,002	8,830,686	2,570,924,688	68.11	6.11
				0.00					0.00
C. Shares held by Custodian for GDRs & ADRs				0.00					0.00
i) Public	-	-	-	0.00	-	-	-	-	0.00
Grand Total (A+B+C)	3,765,530,969	8,905,686	3,774,436,655	100.00	3,765,605,969	8,830,686	3,774,436,655	100.00	-

ii) Share Holding of Promoters

Shareholders Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019		
	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares

Peeyush Kumar Aggarwal	786750193	20.8441753	20.8441753	786750193	20.84%	18.89%
Seema Aggarwal	75761774	2.007233951	0.02007234	75761774	2.01%	2.01%
Omkam Global Capital Private Limited	138562036	3.671065345	0.0791	0	0.00%	0.00%
Omkam Securities Private Limited	92000000	0.036710653	0.0641	0	0.00%	0.00%
Omkam Capital Markets Private Limited	341000000	9.0344608	0	341000000	9.03%	0.00%
Total	1434074003	35.59364605	21.00744764	1203511967	31.89%	20.90%

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

	Share holding at the beginning of the Year		Cumulative Share holding during the year	
	No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year	1434074003	37.99%	1203511967	31.88587005

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)

Name of the Promoter	Share holding at the beginning of the Year i.e. 01/04/2018		Date wise Increase / Decrease		Cumulative Shareholding during the year 31/03/2019	
	No. of Shares	% of total shares of the compan	Increase/ (Decrease)	%age of total share capital	No of shares	% of total shares of the compan

		y				y
Peeyush Kumar Aggarwal	786750193	20.84%	No change occurred during the year	0.00%	786,750,193	20.84%
Seema Aggarwal	75761774	2.01%	No change occurred during the year	0.00%	75,761,774	2.01%
Omkam Capital Markets Private Limited	341000000	9.03%	No change occurred during the year	0.00%	341,000,000	9.03%
Omkam Global Capital Private Limited	138,562,036	3.67%	Date:11/09/2018 Pledge invoked - (138562036)	-3.67%	-	0.00%
Omkam Securities Private Limited	92,000,000	2.44%	13/06/2018- Pledge invoked - 92000000	-2.44%	-	0.00%
Total	1434074003	37.99%		-6.11%	1,203,511,967	31.88%

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

Top 10 Shareholders*	Shareholding at the beginning of the year i.e. 01-04-2018		Date wise Increase / Decrease		Cumulative Shareholding during the year 2018-19	
	No. of shares	% of total shares of the company	Date	Increase / Decrease	No of shares	% of total shares of the company
GLOBE FINCAP LIMITED	145673445	3.86	06-04-2018	(14,293,909.00)	131379536	3.48
			13-04-2018	(2,884,373.00)	128495163	3.40
			20-04-2018	(70,000,000.00)	58495163	1.55
			01-06-2018	(33,882,172.00)	19112991	0.51
			15-06-2018	66,500,000.00	85612991	2.27
			20-06-2018	(11,300,000.00)	74312991	1.97
			22-06-2018	(5,700,000.00)	74312991	1.97
			13-07-2018	(9,827,438.00)	58785553	1.56
			20-07-2018	(4,400,262.00)	52582591	1.39
			03-08-2018	(8,094,890.00)	44487701	1.18
			10-08-2018	(14,714,857.00)	29772844	0.79

			17-08-2018	(6,530,751.00)	23242093	0.62
			24-08-2018	(2,900,000.00)	20342093	0.54
			12-10-2018	86,684,454.00	10702654 7	2.84
			06-11-2018	47,957,097.00	59069450	1.56
			23-11-2018	(11,958,953.00)	47110497	1.25
			07-12-2018	(6,712,692.00)	40397805	1.07
			21-12-2018	5,306,407.00	35091398	0.93
DEIPAKK BAWA	85200000	2.26	20-04-2018	(2,076,116.00)	83123884	2.20
			01-06-2018	(4,123,884.00)	79000000	2.09
PATLIPUTRA INTERNATIONAL LIMITED	50000000	1.32		-	50000000	1.32
VIDYASAGAR MAHAVIRPRASA D SAH	36045177	0.95			36045177	0.95
VIPIN GARG	33008921	0.87			33008921	0.87
RAJESH GUPTA	22518525	0.60			22518525	0.60
ADITYA VIKRAM AGARWAL (HUF)	20000000	0.53			20000000	0.53
SANJIV BHAVNANI	15343900	0.41			15343900	0.41
SACHIN GUPTA	13910334	0.37			13910334	0.37
BP FINTRADE PRIVATE LIMITED	18219683	0.48	06-04-2018	4,606.00	18215077	0.48
			30-03-2018	21,884,923.00	40100000	1.06
BP EQUITIES PRIVATE LIMITED	0	0.00	20-04-2018	23,250,009.00	23250009	0.62
			04-05-2018	(1,358,051.00)	21891958	0.58
			11-05-2018	206,033.00	22097991	0.59
			18-05-2018	(1,466,700.00)	20631291	0.55
			25-05-2018	(69,531.00)	20561760	0.54
			08-03-2019	19,674,944.00	40236704	1.07
			15-03-2019	(4,225,527.00)	36011177	0.95

			30-03-2019	2,083,936.00	38095113	1.01
AMEENA BEGUM MOHAMMAD	20000000	0.52988039 9		0	20000000	0.53
* Changes in the holding as per the beneficiary position downloaded from the Benpos data as on 30.03.2019 provided by the Registrar & Share Transfer Agent						

v) Shareholding of Directors and Key Managerial Personnel:

Folio/Beneficiary Account No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
12020600-00800415	Peeyush Kumar Aggarwal	786,750,193	20.84%	78,67,50,193	20.84%
IN301436-10630017	Sanjay Sharma	1,100	0.00%	1100	0.00%
IN300239-10205350	Manoj Kumar Jain	82,500	0.00%	82500	0.00%

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Total Indebtness
Indebtness at the beginning of the financial year			
i) Principal Amount	43719619	179126728	222846347
ii) Interest due but not paid	0	0	
iii) Interest accrued but not due	0	0	
Total (i+ii+iii)	43719619	179126728	222846347
Change in Indebtedness during the financial year			
Additions		254250	4923692
Reduction	0	0	
Net Change		254250	254250
Indebtedness at the end of the financial year			
i) Principal Amount	48389061	179380978	227770039
ii) Interest due but not paid	4669442	0	
iii) Interest accrued but not due	0	0	
Total (i+ii+iii)	48389061	179380978	227770039

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
		Peeyush Kumar Aggarwal (Managing Director)*	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act (Rs. 120.00 lakhs plus 0.01% of the effective capital in excess of Rs. 250 crores.)		
<p>*Mr. Peeyush Kumar Aggarwal was appointed as Managing Director of the Company w.e.f. 3rd January 2018. He has voluntarily decided not to take any remuneration from the Company in view of losses suffered in previous years.</p>			

B. Remuneration to other directors:

S. No		Fee for attending board/committee meetings	Commission	Total
1	Independent Directors*			
	Mrs. Madhu Sharma	-	-	-
	Mr. Manoj Kumar Jain	-	-	-
	Total (1)	-	-	-
2	Other Non-Executive Directors**			
	Mr. Rachit Garg	-	-	-
	Total (2)	-	-	-

	Total (B)=(1+2)	-	-	-
	Total Managerial Remuneration	-	-	-
	Ceiling as per the Act (@1% of profits calculated under Section 197 of the Companies Act,2013)			

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

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

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

S. No.	Particulars of Remuneration			
1	Gross Salary	Chief Financial Officer	Company Secretary	Total
		Mr. Sanjay Sharma	Miss. Garima Singh	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	585,000.00	107,487	692, 487.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	197,500.00	43,687.00	241,187.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Others, allowances	-	-	-
	Total	782,500.00	1,51,174.00	933,674.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty		NIL		NIL	
Punishment					



Compoundin g		NIL		NIL	
B. DIRECTORS					
Penalty		NIL		NIL	
Punishment					
Compoundin g		NIL		NIL	
C. OTHER OFFICERS IN DEFAULT					
Penalty		NIL		NIL	
Punishment					
Compoundin g		NIL		NIL	

Place: New Delhi

Date: 30th May 2019

**For & on behalf of the Board
MPS Infotecnics Limited**

Sd/-

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

Management Discussion & Analysis Report

Overview of the Industry

India's IT & ITeS industry grew to US\$ 181 billion in 2018-19. Exports from the industry increased to US\$ 137 billion in FY19 while domestic revenues (including hardware) advanced to US\$ 44 billion.

Spending on Information Technology in India is expected to grow over 9 per cent to reach US\$ 87.1 billion in 2018.

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

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows worth US\$ 37.23 billion between April 2000 and March 2019 and ranks second in inflow of FDI, as per data released by the Department for Promotion of Industry and Internal Trade (DPIIT).

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

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

- Nasscom has launched an online platform which is aimed at up-skilling over 2 million technology professionals and skilling another 2 million potential employees and students.
- Revenue growth in the BFSI vertical stood at 6.80 per cent y-o-y between July-September 2018.
- As of March 2018, there were over 1,140 GICs operating out of India.
- PE investments in the sector stood at US\$ 2,400 million in Q4 2018.
- Venture Capital (VC) investments in the IT & ITeS sector stood at US\$ 53.0 million during Q4 2018.

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

- The government has identified Information Technology as one of 12 champion service sectors for which an action plan is being developed. Also, the government has set up a Rs 5,000 crore (US\$ 745.82 million) fund for realising the potential of these champion service sectors.
- As a part of Union Budget 2018-19, NITI Aayog is going to set up a national level programme that will enable efforts in Artificial Intelligence and will help in leveraging Artificial Intelligence technology for development works in the country.
- In the Interim Budget 2019-20, the Government of India announced plans to launch a national program on Artificial Intelligence and setting up of a National Artificial Intelligence portal.
- National Policy on Software Products-2019 was passed by the Union Cabinet to develop India as a software product nation.

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new

gamut of opportunities for top IT firms in India. Export revenue of the industry is expected to grow 7-9 per cent year-on-year to US\$ 135-137 billion in FY19. The industry is expected to grow to US\$ 350 billion by 2025 and BPM is expected to account for US\$ 50-55 billion out of the total revenue.

Exchange Rate Used: INR 1 = US\$ 0.0139 as of Q3 FY19

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

Disclaimer: This information has been collected through secondary research and MPS Infotecnics Limited is not responsible for any errors in the same.

India is the world's second-largest telecommunications market, with around 1.20 billion subscribers as of December 2018. The telecom market can be split into three segments – wireless, wireline and internet services. The wireless market segment comprises of 98.17 per cent of the total subscriber base, as of March 2019. Wireless subscriptions witnessed a CAGR of 19.61 per cent to reach 1,183.41 million at the end of FY18.

India is also the second largest country in terms of internet subscribers with 604.21 million internet subscribers, as of December 2018. India became the world's fastest-growing market for mobile applications in the first quarter of 2018 and remained as the world's fastest growing market for Google Play downloads in the second and third quarter of 2018.

Strong policy support from the government has been crucial to the sector's development. Foreign Direct Investment (FDI) cap in the telecom sector has been increased to 100 per cent from 74 per cent. FDI inflows into the telecom sector during April 2000 – March 2019 totalled to US\$ 32.82 billion.

To propel the sector on a growth path, the Government of India has launched the National Digital Communications Policy, 2018, which envisages attracting investments worth US\$ 100 billion in the telecommunications sector by 2022.

Outlook

According to Gartner Inc., the world's leading information technology research and advisory company, the worldwide IT spending is projected to total USD 3.79 trillion in 2019, an increase of 1.1% from 2018. The shift of enterprise IT spending from traditional (non-cloud) offerings to new, cloudbased alternatives is continuing to drive growth in the Enterprise software market. In 2019, the market is expected to reach USD 427 billion, up 7% from USD 399 billion in 2018. However, Gartner expects increased growth for the Infrastructure software segment in the near-term, particularly in integration platform as a service (iPaaS) and application platform as a service (aPaaS).

As per India's IT-BPM Industry Association – NASSCOM, the outlook for the Indian information technology (IT) sector is expected to be steady, with a positive bias for FY2019. Industry is expected to grow marginally above NASSCOM guidance of 7-9% in constant currency. Export revenues are estimated to grow to ~USD 135-137 billion from the USD 126 billion in FY 2018, a growth of 8.3%. The domestic revenues are expected to grow 7.9% percent to ~INR 28-29 billion in the financial year 2018-19 while digital is seen to be growing at 30% year-on-year and is estimated to touch USD 33 billion in 2018-19 due to investment in digital transformation and the use of automation.

OPPORTUNITIES AND RISKS

Opportunities

India holds prominent status for its capabilities in the outsourcing of information technology (IT) services; it accounts for about 67 percent of the global outsourcing market.

Drawing investor appeal is India's ecosystem of skilled professionals with English language fluency, high-quality infrastructure (connectivity, business centers, and educational institutions), and supportive government policies.

Moreover, building upon its early outsourcing legacy, India is now evolving into a value-added destination – making cost-efficient technology for global clients and opening new industry verticals in the fields of system integration, consulting services, and technology-enabled business services, popularly known as SMAC.

While leading multinational Indian firms such as Tata Consultancy Services, Infotech, Wipro, Cognizant, and Infosys dominate India's IT sector, the country also houses a large number of small and medium size (SME) players that contribute to over 30 percent of the country's IT exports.

According to the industry body – National Association of Software and Services Companies (NASSCOM) – IT exports from India will exceed the US\$330 billion by 2019-20. This accounts for nearly 14 percent of the projected world-wide spend if India maintains its current share of the global offshore IT market.

Below we highlight what makes India an attractive IT investment destination, and why is now the right time to enter the Indian market for foreign SMEs.

India has a strong mix of young and technically trained professionals. Government institutes such as the Indian Institute of Technology (IIT), the Indian Institute of Management (IIM), and the Indian School of Business (ISB) are known to produce high quality STEM (science, technology, engineering, and math) talent with diverse business skills.

These professionals not only offer wage arbitrage to companies, but also enable the industry to address growing domestic and global opportunities in digital transformation, while maintaining high productivity rates. In the year 2016, over six million graduates were estimated to have been added to India's total labor force, over half of whom have skill sets that are well suited to the IT sector.

Indian IT vendors follow international best practices and have adopted several global quality certification standards, including:

- The Capability Maturity Model (CMM) that assesses the ability of companies' processes to implement a contracted software project;
- The International Standards Organization (ISO 9000) series that applies to quality assurance in design, development, production, installation and servicing of software;
- Total Quality Management (TQM);
- Six Sigma Quality certification; and,
- Customer Operations Performance Centre (COPC) certification that confirms the ability to deliver quality software development on time. In fact, over 75 percent of the world's CMM (level 5) certified companies are Indian. India also has one of the highest number of ISO-9000 certified software companies in the world.

The quality and cost of services are two key variables that make India the most preferred sourcing destination in the world.

India can help companies generate cost savings between 40 and 60 percent, depending on the type of services offered, in comparison to leading software markets like the US. For instance, hiring a software developer costs between US\$50 to US\$150 an hour (depending on the tool being developed) on average in the US, while they can be hired for as low as US\$15 to US\$45 an hour in India.

This pricing flexibility is particularly important for SMEs in the sector as they are able to operate more efficiently on competitive budgets and gain larger profit margins on final products.

As basic infrastructure improves across the country, the geographical spread of IT companies in India is expanding to cover lower tier cities, such as Ahmedabad and Surat (Gujarat state), Bhubaneswar (Orissa state), Chandigarh and Ludhiana (Punjab state), Coimbatore (Tamil Nadu state), Jaipur (Rajasthan state), Kochi and Thiruvananthapuram (Kerala state), Mangalore (Karnataka state), and Nagpur (Maharashtra state).

Lower labor costs, affordable real estate, and the establishment of software technology parks (STPI) and Special Economic Zones (SEZs) in these cities are attractive for IT companies.

Lower tier cities have given rise to a domestic hub and spoke model wherein tier I cities are hubs with a network of tier II and III spokes. The model allows organizations to diversify their operations to tier II and III cities at low costs while maintaining their high profile business clientele in tier I metro cities.

The Indian government has adopted a framework of policies that offer advantages to the IT outsourcing industry. These include national policies, financial incentives, and the development of infrastructure, which complement the local state-level initiatives targeting the IT sector.

At present, the government's Digital India campaign is injecting US\$20 billion in investments to improve internet infrastructure in the country, and facilitate online payments systems and e-governance, among other things.

The Startup India campaign, meanwhile, supports technology startups that are seen as critical to the growth and development of the technology industry's SMAC capabilities. SMAC stands for social media, mobility, data analytics, and cloud computing, and India's over 4,000 startups are at the frontier of this innovation in the rapidly transforming IT landscape.

IT firms in India can take advantage of fiscal incentives offered by the government to Export Oriented Units (EOUs), STPIs, and SEZs. Further, the government provides a reduction in the tax rate on royalty and fees from technical services from 25 percent to 10 percent.

Aside from establishing software technology parks, the federal State Wide Area Networks (SWANs) scheme has established networks across all 29 states and six union territories, with a minimum bandwidth capacity of two Mbps, and at a total cost of US\$512.69 million.

Courtesy: India Briefing

Threats & Risks

Risks to business establishments are detrimental to the growth and development of any company. The nature of risks globally has changed enormously, and with their occurrences becoming more unexpected and their effects becoming more profound, risks need to be taken more seriously.

Further, due to rapid digital transformation of businesses, underlying infrastructure is becoming more complex. In these changing times it is critical to understand emerging risks. Knowledge about impending risks can benefit businesses, especially MSMEs and start-ups, so that they could take well-informed decisions.

The Information technology market has been in a state of flux due to emerging technological changes. The marketplace is exploding all over the world, with myriad disruptions, changing buyer behavior. IT solution providers of all shape and size can no longer rely on the successes of the past to guarantee their future.

The technological changes are rewriting the rules of business. There is little doubt that the connected future is taking shape faster than most businesses anticipated. The question remains – are companies prepared for the new realities of this connected future? IT services providers will need to reinvent themselves to stay relevant. The new imperatives of success for service providers are: business outcome enablement; new business models

and new engagement models to support client expectations; new operating models that increase speed and agility; and building and creating smarter solutions that are programmable.

The just released Goldman Sachs Equity Research Report paints an optimistic picture and predicts a very high growth trajectory path; but it has also cautioned that in order to fully realize and cash in on this huge potential, as also build out cross-border IT services, Indian companies have to overcome major domestic and global risks, besides key valuation challenges.

The report says that while technical re-engineering and in-depth vertical organizational understanding would be key lifting factors in India's IT services game. India's service providers must scale the value chain to improve project scope, tap more diversified global markets, continue to attract the best people, and maintain globally respected positioning; it likewise adds India's domestic technology infrastructure, political risk perception, and high degree of civil bureaucracy should also improve significantly.

One of the major area of concern is the slowdown in the global IT spending, particularly in the US - as global markets constitute bulk of revenues for Indian Companies - the US being the largest contributor!

Report stressed the need for IT services providers to increase their global diversification - as Indian companies have not always had an easy time penetrating non-English speaking markets. (India has the largest pool of English speaking technical people outside the US!).

Another area highlighted was the problem of brain drain. Unless the Government provides Indians entrepreneurs with a favorable environment to implement their business plans - which includes not only better infrastructural facilities but also facilitation of IT business, they would leave for the shores of other countries like the US. Today over one-third of the Silicon Valley start-ups have Indians at the helm! This is one of the reasons why India has not evolved into a regional hub. What can be perceived from the above is that the difference between the hub and the skills-surplus nations are infrastructure and perceived risk. The Philippines, China and Indonesia have been successful in exporting skills but have not been as effective in building domestic infrastructure or improving the political perceptions needed to evolve into a regional hub.

The Report suggests Indian Companies should seriously take note of for safety and insulation is

- High attrition rates
- Effectively managing high expectations following hype
- Potential distractions from ramping up into new business lines that require different core competencies, expertise and even capital structures
- Moving into venture capital business models
- International diversification
- Global expansion
- Acquisition risks
- Integration issues

Cyber Security

Cyber security refers to the body of technologies, processes, and practices designed to protect networks, devices, programs, and data from attack, damage, or unauthorized access. Cyber security may also be referred to as information technology security.

Cyber security is important because government, military, corporate, financial, and medical organizations collect, process, and store unprecedented amounts of data on computers and other devices. A significant portion of that data can be sensitive information, whether that be intellectual property, financial data, personal information, or other types of data for which unauthorized access or exposure could have negative consequences. Organizations transmit sensitive data across networks and to other devices in the course of doing businesses, and cyber security describes the discipline dedicated to protecting that information and the systems used to process or store it. As the volume and sophistication of cyber-attacks grow, companies and organizations, especially those that are tasked with safeguarding information relating to national security, health or financial records, need to take steps to protect their sensitive business and personnel information. As early as March 2013, the nation's top intelligence officials cautioned that cyber-attacks and digital spying are the top threat to national security, eclipsing even terrorism.

1. Our Business

a. An overview

THE COMPANY IS PRESENTLY ENGAGED IN THE FOLLOWING AREAS:

IT Solutions & Products, which comprise of:

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

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

IT Enabled Services comprising of:

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

Domain Registration & Web Hosting Services

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

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

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

During the year under review, the revenue generated from the segment was Rs. 11.51 lacs the breakup of which is as under:

Print EPIC Cars	Rs. 10.87 Lacs
PAN Card Coupon Sale & Antivirus Sale	Rs. 0.65 Lacs

- VAS & IT enabled Services

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

During the year under review, the company had generated revenue of Rs. 50.06 lacs, the breakup of which is as under:

Web Hosting	Rs. 3.52 Lacs
Domain Registration – which includes exports of Rs. 1.74 lacs	Rs. 32.47 Lacs
Software Development	Rs. 10.00 Lacs
Server Management Charges	Rs. 2.30 Lacs
SMS Service Charges Sale	Rs. 1.26 lacs
UID Aadhar Generation & Service revenue	Rs. 0.51 Lacs

Telecommunication, through web portal www.uvapoint.com comprising of

- DTH, Postpaid, prepaid mobile recharge;

Your company had also developed B2B2C based multipurpose transaction platform <http://www.uvapoint.com> and had provided business opportunities to the people in remote areas of the country. The platform is used by retailers for providing a host of services to the visiting customers such as prepaid Mobile recharge, Postpaid Mobile Bill Payment, DTH recharge, landline bill payments, data card recharge/payments, etc. However, with service providers themselves providing mobile applications for recharge, bill payments, etc. the business had gone down considerably.

MPS's existing business model has been impacted by the uncertainty due to its high dependence on Telecommunication segment which has shown a significant decline due to various reasons as explained in the above para, consequently losses have mounted leading to difficulty in bank financing and increasing dependence on loans from others. Your company has now diversified into export of telecommunication equipments and undertook export sale of Blackberry mobile to Hongkong and Taiwan on trial basis. Though it has suffered trading losses in initial trades, but your company hopes to recover losses and make good profits on continued supplies to these countries on account of better purchase prices on quantity buying.

The businesses of the company in other segments have also considerably declined in which it is engaged in. The main reason for the decline in the company's business is stiff competition not only from the organised sector but also from un-organised sector; various e-commerce portals are providing their goods and services, along with lucrative schemes and that too on payment in cash; the company's business has suffered as the company has to procure goods and services on cash and selling them on credit; there are number of mobile application available, which again provides their goods and services with lucrative discounts and schemes.

Despite the fact that the company is facing stiff competition, yet, Your Company is exploring new avenues to increase its market share in the areas in which it operates. Your company expects to gain substantial amount of the market share in the times to come.

SEGMENT WISE PERFORMANCE

The company is mainly operating in three segments:

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

The segment wise revenues and profits / (loss) are tabulated hereunder:

<i>Amount (Rs. in Lacs)</i>				
<i>Segment</i>	<i>Standalone</i>		<i>Consolidated</i>	
	<i>2018-19</i>	<i>2017-18</i>	<i>2018-19</i>	<i>2017-18</i>
<i>IT Solutions & Products</i>	11.52	196.55	11.52	196.55
<i>IT Enabled Services</i>	50.05	50.14	50.05	50.14
<i>Telecommunication</i>	1,638.82	7,458.43	1,638.82	7,530.04
Total	1,700.39	7,705.12	1,700.39	7,776.73
Segment results - Profit / (loss) (before Interest & Tax)				
<i>IT Solutions & Products</i>	(4.36)	(3.24)	(4.36)	(3.24)
<i>IT Enabled Services</i>	(26.27)	4.13	(26.27)	4.13
<i>Telecommunication</i>	(88.72)	(186.41)	(88.72)	(186.80)
Total	(119.35)	(185.52)	(119.35)	(185.91)
<i>Less: Interest</i>	59.99	321.17	59.99	321.17
<i>Less: Other un-allocable Expenditure net off.</i>	367.92	179.36	367.92	179.35
<i>Add: Un-allocable Income</i>	12.49	685.87	12.49	685.87
Profit before Tax	(534.77)	(0.18)	(534.77)	(0.56)

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

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

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

HUMAN RESOURCE AND DEVELOPMENT

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

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

to be its most important asset and fosters an environment that encourages and values diversity and promotes personal and professional development of employees.

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

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

CAUTIONARY STATEMENT

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

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

For and on behalf of the Board
MPS Infotecnics Limited
Sd/-
Peeyush Kumar Aggarwal
Chairman & Managing Director
DIN: 00090423

Place: New Delhi
Date: 30th May 2019

Report on Corporate Governance

Good Governance, it's about being proper & prosper.

.....Toba Beta

In accordance with Regulation 34 (3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations, 2015"], the report containing the details of Corporate Governance of MPS Infotecnics Limited ("the Company"/ "MPS") are as follows:

1. PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is about ensuring transparency, disclosure and reporting that conforms fully to the existing laws of the Country and to promote ethical conduct of business throughout the organization. The philosophy of the Company in relation to corporate governance is to ensure transparency in all its operations, make disclosures and enhance shareholder value without compromising on compliance with the laws and regulations.

MPS is committed to sound principles of Corporate Governance with respect to all its procedures, policies and practices. Under good Corporate Governance, we are committed to ensure that all functions of the Company are discharged in a professionally sound, accountable and competent manner.

The Board of Directors of the Company fully supports corporate governance practices and actively participates in overseeing risks and strategic management. The governance processes and systems of your Company have strengthened over a period of time resulting in constant improvisation of sustainable and profitable growth.

The Company is committed to enhance shareholder value in a fair and transparent manner and has been in the forefront for benchmarking itself with the best business practices globally.

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

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

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

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

2. BOARD OF DIRECTORS (“BOARD”)

a) Composition and Category of Directors:

The Board of Directors of your Company has an optimum combination of Executive & Non-Executive Directors with more than fifty percent of the Board of Directors comprising of Non-Executive Directors.

The Board of Directors of the Company as on 31st March, 2019 comprised of 4 Directors consisting of three Non-Executive Directors & One Executive Director including two Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”) read with Section 149 of the Companies Act, 2013 (“the Act”). The Chairman of the Board Meetings is an Executive Director designated as Managing Director.

The names, designation, categories of the Directors and their shareholdings in the Company as on 31st March, 2019 are as exhibited below:

<i>Name of the Director</i>	<i>Category</i>	<i>Shareholding in the Company</i>
Mr. Peeyush Kumar Aggarwal (DIN – 00090423)	Executive Director & Promoter	78, 67,50, 193
Mr. Manoj Kumar Jain (DIN – 01887411)	Non-Executive Independent Director	82,500
Mrs. Madhu Sharma (DIN – 06947852)	Non-Executive Independent Director	Nil
Mr. Rachit Garg* (DIN – 07574194)	Non-Executive Director	Nil

- *Appointed on the Board with effect from May 30th, 2018, liable to retire by rotation and regularize at the 29th Annual General Meeting held on 29/09/2018.

b) Attendance of each director at the meeting of the board of directors and the last Annual General Meeting:

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

Details of Directors’ attendance at the meeting of the board of directors during the Financial Year 2018-19 and at the last Annual General Meeting, number of Directorships in other Indian companies and Committee memberships/Chairmanship held by them in Indian public companies as on 31st March, 2019 are furnished below:

<i>Name of the Director</i>	<i>No. of Board Meetings held during the tenure</i>	<i>No. of Board Meetings attended</i>	<i>Attendance at the last AGM held on 29th September 2018</i>	<i>No. Of Directorships held in listed companies including this company</i>	<i>No. of Committee Memberships/ Chairmanship held in Public companies including this company*</i>	
					<i>As</i>	<i>As</i>

					Chairman	Member
Mr. Peeyush Kumar Aggarwal	7	7	Yes	3	0	3
Mr. Manoj Kumar Jain	7	7	Yes	3	4	2
Mrs. Madhu Sharma	7	7	Yes	5	3	3
Mr. Rachit Garg	7	7	Yes	1	1	0

Note:

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

The necessary quorum was present at all the meetings.

c) Names of the listed entities where the person is a director and the category of directorship

The names & categories of the Directors as on 31st March, 2019 are as exhibited below:

Name of Companies	Name of Directors			
	Peeyush Kumar Aggarwal	Manoj Kumar Jain	Madhu Sharma	Rachit Garg
MPS Infotecnics Limited	Executive Director	Non- Executive Independent Director	Non- Executive Independent Director	Non- Executive Director
Polar Marmo Agglomerates Limited	Not Applicable	Not Applicable	Non- Executive Independent Director	Not Applicable
Advik Laboratories Limited	Non- Executive Director	Non- Executive Independent Director	Non- Executive Independent Director	Not Applicable
RCC Cements Limited	Not Applicable	Not Applicable	Non- Executive Independent Director	Not Applicable
Interworld Digital Limited	Non- Executive Director	Not Applicable	Non- Executive Independent Director	Not Applicable
North Eastern Carrying Corporation Limited	Not Applicable	Non- Executive Independent Director	Not Applicable	Not Applicable

d) Number of meetings of the board of directors held and dates on which held:

During the Financial Year 2018-19, seven meetings of the Board were held with a time gap of not more than one hundred and twenty days between any two consecutive meetings. These meetings were held on 30th May 2018, 31st May, 2018 , 13th June, 2018, 14th August, 2018, 06th October 2018, 14th November, 2018, 14th February 2019.

All the Directors have made necessary disclosures regarding their directorship as required under Section 184 of the Act and on the Committee positions held by them in all the companies. None of the Directors on the Company's Board hold the office of director in more than 20 Companies, including maximum 10 public companies and none of the Directors of the Company are related to each other. In accordance with Regulation 26 of the Listing Regulations, 2015 none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees (the committees being, Audit Committee and Stakeholders Relationship Committee). All Non-Executive Directors who are not Independent Directors, are liable to retire by rotation.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1) (b) of the Listing Regulations, 2015 read with Section 149(6) of the Act. The maximum tenure of each Independent Director is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

e) Web link where details of familiarization programmes imparted to independent directors is disclosed

All our Directors are aware and also updated, whenever required, of their role, responsibilities, liabilities and obligations under the provisions of the Companies Act, 2013 and Rules made there under, as well as Regulation 25 of the Listing Regulations, 2015. The Independent Directors are also made aware of their roles and responsibilities at the time of their appointment and a detailed Letter of Appointment is issued to them. Familiarization programmes can be accessed at http://www.mpsinfotec.com/investors_zone.html under the tab "Code of Conduct".

f) Matrix setting out the skills/expertise/competence of the Board:

The Board of Directors have identified the following Core Skills/ Expertise/ Competencies as required in the context of its business(es) and sector(s) for it to function effectively:

The following is the list of core skills / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

- 1) Embrace the shared vision, mission and values of the organisation;
- 2) Knowledge of industry / sector, policies, major risks / threats and potential opportunities in which the Company operates;
- 3) Technical skills / experience in accounting / finance / government or public policy / economy / human resource management / strategy development and implementation / Capital planning;
- 4) Governance competencies like Director in large organisation, compliance focus, leadership, risk management experience, Business judgement

Independent Directors' Meeting

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

In accordance with section 149(8) read with Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations, 2015 a meeting of the Independent Directors was held on 30th May 2018, without the attendance of the Non-Independent Directors and members of the management to review the performance of the Non-Independent, Non-Executive Directors including the Chairman of the Board and

performance of the Board as a whole for the FY 2017-18 and to Assess the quality, quantity and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

COMMITTEES OF BOARD OF DIRECTORS

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

The Board currently has the following Committees:

- a) *Audit Committee,*
- b) *Nomination and Remuneration Committee,*
- c) *Stakeholders' Relationship Committee,*
- d) *Corporate Social Responsibility [CSR] Committee and*
- e) *Risk Management Committee*

3. AUDIT COMMITTEE

The Audit Committee of the Company was re-constituted in the Board Meeting held on June 13th, 2018 effective from May 30th, 2018 in line with the provisions of Regulation 18(1) of the Listing Regulations, 2015 read with Section 177 of the Companies Act, 2013. The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with a view to ensuring accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the independent auditor, and notes the process. The Audit Committee has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent auditors in accordance with law. All possible measures are taken by the Committee to ensure the objectivity and independence of the independent auditor. The committee is headed by an Independent Director. The Company Secretary acts as the secretary to the audit committee.

a) Brief description of terms of reference

As per Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations, 2015 and Section 177 of the Companies Act, 2013, the Audit Committee has been entrusted with the following responsibilities:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend the appointment, remuneration and terms of appointment of Statutory & Internal Auditor of the Company as well as Secretarial Auditor of the Company;
- Approving the payment to Statutory Auditors for any other services rendered by the Statutory Auditor
- Reviewing, with the management, the Annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management
 - (d) Significant adjustments made in the financial statements arising out of audit findings;

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

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations, 2015. The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

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

b) Composition, name of members and chairperson

The Audit Committee have three directors as members. Two-thirds of the members of audit committee are independent directors. The Audit Committee comprises of Mrs. Madhu Sharma as Chairperson, Mr. Manoj

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

c) Meeting of Audit Committee and attendance of members during the year

Five Meetings of the Audit Committee were held during the year ended March 31, 2019. Attendance at Meetings during the year:

S. No	Name of Member	Category	Number of meetings during the Financial Year 2018-19	
			Held	Attended
1.	Mrs. Madhu Sharma*	Chairperson	5	5
2.	Mr. Peeyush Kumar Aggarwal	Member	5	5
3.	Mr. Manoj Kumar Jain **	Member	5	5

*Mrs. Madhu Sharma appointed as Chairperson with effect from May 30th, 2018.
** Mr. Manoj Kumar Jain act as Chairperson till May 29th, 2018.

During the Financial Year 2018-19 five meetings were held on 30th May 2018, 13th June, 2018, 14th August 2018, 14th November 2018 and 14th February 2019. The time gap between two meetings did not exceed 120 days. The quorum was present for all the above four meetings.

The Company Secretary acts as the Secretary of the Committee.

4. NOMINATION AND REMUNERATION COMMITTEE:

a) Brief description of terms of reference

The Nomination and Remuneration Committee of the Company was re-constituted in the Board Meeting held on June 13th, 2018 effective from May 30th, 2018 in line with the provisions of Regulation 19(1) and (2) of the Listing Regulations, 2015 read with Section 178 of the Act. The terms of reference of the NRC are as per the guidelines set out in part D (A) of Schedule II of the Listing Regulations, 2015 which are as follows:

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

b) Composition, name of members and chairperson

The Nomination and Remuneration Committee comprises of three directors as members. All the Members of the Nomination and Remuneration Committee are Non- executive Directors & more than half of members of the Nomination and Remuneration Committee are independent directors. The Nomination and Remuneration Committee comprises of Mrs. Madhu Sharma as Chairperson, Mr. Manoj Kumar Jain & Mr. Rachit Garg as members of the committee.

c) Meeting and attendance during the year

The Nomination & Remuneration Committee met once on 30th May, 2018.

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

<i>Name of the Member</i>	<i>Category</i>	<i>No. of meetings held during the Financial Year 2018-19</i>	<i>No. of meetings attended during the Financial Year 2018-19</i>
<i>Mrs. Madhu Sharma</i>	Chairperson	1	1
<i>Mr. Rachit Garg</i>	Member	NA	NA
<i>Mr. Manoj Kumar Jain</i>	Member	1	1
<i>Mr. Peeyush Kumar Aggarwal</i>	Member	1	1
<p>*Mrs. Madhu Sharma appointed as Chairperson with effect from May 30th, 2018. ** Mr. Manoj Kumar Jain acted as Chairperson till May 29th, 2018. *** Mr. Rachit Garg was appointed as a member of the Committee w.e.f. 14.08.2018 **** Mr. Peeyush Kumar Aggarwal ceased to be a member of the Committee w.e.f. 14.08.2018</p>			

The Company Secretary acts as the Secretary of the Committee.

d) Performance evaluation criteria for independent directors

The Company has adopted a robust process for the performance evaluation of the entire Board including the Independent Directors. Please refer to the Directors' Report for details on the Performance Evaluation of the Board.

5. REMUNERATION OF DIRECTORS

a) Remuneration policy

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

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

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

Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

b) Criteria for Making Payment to the Non-Executive Directors:

The Company has a separate Policy for Remuneration of Non- Executive Directors and Employees and the same is available on the Company's website i.e. http://www.mpsinfotec.com/investors_zone.html under the tab "Code of Conduct".

c) Performance Evaluation Criteria for Independent Directors:

The Company has adopted a robust process for the performance evaluation of the entire Board including the Independent Directors. Please refer to the Directors' Report for details on the Performance Evaluation of the Board.

d) Remuneration of Key Managerial Personnel and Directors:

Details of remuneration of the Key Managerial Personnel for the year ended March 31st, 2019 has been provided in MGT-9 to Board Report, which is annexed as "Annexure – C."

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee of the Company was re-constituted in the Board Meeting held on June 13th, 2018 effective from May 30th, 2018. The Stakeholder's Relationship Committee comprises Mr. Rachit Garg as the Committee's Chairman, Mr. Manoj Kumar Jain & Mr. Peeyush Kumar Aggarwal as members of the Committee. The Company Secretary & Compliance Officer acts as Secretary to the Committee.

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

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

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

Meetings of the Committee are held at regular interval with regard to the volume of transfer requests received by the Company. The Company Secretary being the Compliance Officer takes personal interest in all the

matters of concern for investors and reports the same to the Committee. To expedite the process of share transfers, the Board has delegated the power of share transfer to Mass Services Pvt. Ltd. viz. Registrar and Share Transfer Agent who attend to the share transfer formalities.

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

Meetings of Stakeholders Relationship Committee

<i>S. No.</i>	<i>Name of Member</i>	<i>Category</i>	<i>No. of meetings held during the Financial Year 2018-19</i>	<i>No. of meetings attended during the Financial Year 2018-19</i>
1.	Mr. Rachit Garg *	Chairperson	5	4
2.	Mr. Peeyush Aggarwal**	Member	5	5
3.	Mr. Manoj Kumar Jain	Member	5	5
<p>*Mr. Rachit Garg has been appointed as a Director of the Company w.e.f 30th May, 2018 and he was appointed as Chairperson of the Stakeholders Relationship Committee w.e.f. 14th August 2018. ** Mr. Peeyush Kumar Aggarwal acted as Chairperson of Stakeholders Relationship Committee till 30.05.2018. He was re-inducted as a member of the Committee w.e.f. 14th August 2018.</p>				

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

During the financial year 2018-19 Five meetings were held on 04/05/2018, 01/10/2018, 08/10/2018, 06/12/2018 and 11/03/2019.

The Company Secretary acts as Secretary to the Committee.

Details of Shareholders’ complaints

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

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility Committee of the Company was re-constituted in the Board Meeting held on June 13th, 2018 effective from May 30th, 2018. The CSR Committee was constituted in accordance with the requirements of the statutes.

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

The Role of Corporate Social Responsibility Committee is as follows:

- Formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company;
- Reviewing the performance of Company in the area of CSR;

- Providing external and independent oversight and guidance on the environment and social impact of how the Company conducts its business;
- Monitoring CSR Policy of the Company from time to time;

No contribution had been made by the company as your company has suffered loss during the financial year under review.

Meeting of CSR Committee and attendance of members during the year

No meeting was held during the Year under review.

The company Secretary acts as the Secretary to the Committee.

The CSR report, as required under the Companies Act, 2013 for the year ended March 31, 2019 forms part of the Boards Report.

8. RISK MANAGEMENT COMMITTEE

As on 31st March, 2019, the Risk Management Committee of the Company comprises of Mr. Manoj Kumar Jain as the Chairman and Mr. Peeyush Kumar Aggarwal & Mrs. Madhu Sharma as members of the Committee.

The role of Risk Management Committee is to:

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

9. GENERAL BODY MEETINGS

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

<i>Date</i>	<i>Location</i>	<i>Time</i>	<i>No. of Special Resolution passed</i>
29.09.2018	703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001	10.30 a.m.	1
29.09.2017	703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001	11:30 a.m.	0
10.10.2016	703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001-Meeting through Postal Ballot	Postal Ballot	1 passed through Postal Ballot
30.09.2016	703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001	10:00 A.M.	0

Whether any Special Resolution passed last year through postal ballot:

No special resolution was passed through postal ballot last year.

Whether any Special Resolution is proposed to be conducted through postal ballot: No

Procedure for Postal Ballot: Not Applicable.

10. MEANS OF COMMUNICATION

- (a) **Financial Results:** Company submits quarterly and year-to-date financial results to the stock exchanges at www.nseindia.com and www.bseindia.com, within forty-five days of end of each quarter, other than the last quarter. Company submits annual audited financial results for the financial year, within sixty days from the end of the financial year along with the audit report.
- (b) **Newspapers wherein Financial Results normally published:** Business Standard.
- (c) **Any Website where displayed:** http://www.mpsinfotec.com/investors_zone.html
- (d) **Whether Website also displays official news releases:** Yes. Financial Results, shareholding pattern, notices and press releases, if any, are displayed on the website.
- (e) **Whether presentations made to institutional investors or to analysts:** No presentations were made to institutional investors or to analysts.

11. GENERAL SHAREHOLDER’S INFORMATION

<p>Annual General Meeting</p> <ul style="list-style-type: none"> • Date • Day • Time • Venue • Posting of Annual Report • Last date of receipt of Proxy Form 	<p>30th September 2019</p> <p>Monday</p> <p>10.00 a.m.</p> <p>703, Arunachal Building, 19, Barakhamba Road, New Delhi 110001</p> <p>On or before 5th September 2019.</p> <p>48 hours before the Meeting i.e. 28th September 2019 by 11:00 A.M.</p>
<p>Financial Year</p> <p>Financial year for the period under review</p> <p>First Quarter</p> <p>Second Quarter</p> <p>Third Quarter</p> <p>Fourth Quarter</p>	<p>1st April to 31st March</p> <p>1st April 2018 to 31st March 2019</p> <p>1st April 2018 to 30th June 2018</p> <p>1st July 2018 to 30th September 2018</p> <p>1st October 2018 to 31st December 2019</p> <p>1st January 2018 to 31st March 2019</p>
<p>Dividend Payment Date</p>	<p>For the year ended March 31st, 2019, the Directors have not recommended dividend.</p>

Listing of Shares	<p>Shares are listed on following Stock Exchanges:</p> <p>1. National Stock Exchange of India Ltd. Address: Exchange Plaza, Bandra, Kurla Complex, Bandra (E) Mumbai-400051 Stock Code: VISESHINFO</p> <p>2. BSE Limited Address: Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001 Stock Code: 532411</p>
Payment of Annual Listing Fee	The Listing Fee for the year 2018-2019 has not been paid to the Stock Exchanges where the shares of the Company are listed.
Date of Book Closure	The Register of members and share transfer Books of the Company shall remain closed from 24th September 2019 to 30 th September 2019 (both days inclusive)
Registrar & Share Transfer Agents (RTA)	<p>Address & Contact Details T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 Tel no. : 011-26387281-83 Fax : 011- 26387384 e-Mail :info@massserv.com</p>
ISIN Code	INE861A01058
Investor Service Cell & address for correspondence	703, Arunachal Building, 19, Barakhamba Road, New Delhi 110001
Telephone No	+91 11 43571044
Fax	+91 11 43571047
E-mail	info@mpsinfotec.com
Compliance Officer	Miss. Prachi Sharma, Company Secretary & Compliance Officer

Stock Market Data for the year 2018-19

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

<i>Months</i>	<i>National Stock Exchange</i>			<i>Bombay Stock Exchange</i>		
	<i>High</i> ↑	<i>Low</i> ↓	<i>No. of shares traded</i>	<i>High</i> ↑	<i>Low</i> ↓	<i>No. of shares traded</i>
<i>April, 2018</i>	0.15	0.10	3645628	0.23	0.23	305008
<i>May, 2018</i>	0.15	0.10	2189987	0.23	0.23	122035
<i>June, 2018</i>	0.15	0.05	12883698	0.23	0.23	251005
<i>July, 2018</i>	0.10	0.05	2357755	0.23	0.23	1122643
<i>August, 2018</i>	0.10	0.05	3001801	0.23	0.19	459876
<i>September, 2018</i>	0.10	0.05	2572434	0.19	0.19	300007
<i>October, 2018</i>	0.10	0.05	1431028	0.19	0.19	499734
<i>November, 2018</i>	0.10	0.05	5825799	0.19	0.19	1451475
<i>December, 2018</i>	0.10	0.05	2394957	0.19	0.19	443367
<i>January, 2019</i>	0.10	0.050	1612535	0.19	0.19	585784
<i>February, 2019</i>	0.10	0.05	1410616	0.19	0.19	483372
<i>March, 2019</i>	0.10	0.05	1712138	0.19	0.19	18729957

Share Transfer System:

Share transfers, where transfer documents are found in order, are registered and returned in the normal course within a period of 15 days from the date of receipt of the documents. Any requests for dematerialisation / rematerialisation of shares are processed and confirmation is given to depositories i.e. National Securities Depositories Limited (NSDL) or Central Depositories Services (India) Limited (CDSL), as the case may be, within 30 days from the date of receipt

Dematerialization of Shares

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

Status of issued capital as on 31st March, 2019:

<i>Total Issued Capital</i>	<i>No. of Shareholders</i>	<i>No. of Shares</i>	<i>% to total shareholding</i>
<i>NSDL (Demat Form)</i>	21387	1,38,11,71,853	36.59
<i>CDSL (Demat Form)</i>	19144	2,38,44,42,716	63.17
<i>Physical Form</i>	1998	88,22,086	0.24
TOTAL	42,102	3,77,44,36,655	100

Distribution of Shareholding as on 31st March 2019:

S. No.	SHARE HOLDING OF NOMINAL VALUE OF RS	NO. OF SHAREHOLDERS	% TO TOTAL	NO. OF SHARE	AMOUNT IN RS
1.	1 TO 5000	21703	51.549	36124332	36124332
2.	5001 TO 10000	5988	14.223	50005184	50005184
3.	10001 TO 20000	4096	9.729	63610396	63610396
4.	20001 TO 30000	2032	4.826	52427495	52427495
5.	30001 TO 40000	972	2.309	35283348	35283348
6.	40001 TO 50000	1580	3.753	76814846	76814846
7.	50001 TO 100000	2681	6.368	222414495	222414495
8.	100001 AND ABOVE	3050	7.244	3237756559	3237756559
TOTAL		42102	100.00	3774436655	3774436655

Shareholding Pattern as on 31st March 2019:

Category	No. of Shares	% of total
A. Promoters	1203511967	31.88
B. Non-Promoter holding		
<i>i. Financial Institution/Banks</i>	46750	0.00%
<i>ii. Individuals</i>	2143434554	56.79%
<i>iii. NBFCs registered with RBI</i>	396757	0.01%
<i>iv. Clearing Members</i>	85469263	2.26%
<i>v. Non-Resident Indian (NRI)</i>	95954747	2.54%
<i>vi. Overseas Corporate Bodies</i>	128161	0.00%
<i>vii. Body Corporate</i>	242324314	6.42%
<i>viii. Trusts</i>	3450	0.00%
<i>ix. Director or Director's Relatives</i>	3165517	0.08%
<i>x. Employees</i>	1175	0.00%
TOTAL	3774436655	100

Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has no GDRs/ADRs or any commercial instrument pending conversion.

Commodity price risk or foreign exchange risk and hedging activities

The Company monitors the price of key commodities closely and formulates the procurement strategies basis actual price movements / trends /projections in India and Global Markets. The Company has adequate governance structure of aligning and reviewing the procurement strategies in line with external and internal dynamics.

The Company does not hedge foreign exchange risk as the exposure is not material.

12. OTHER DISCLOSURES

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

During the financial year 2018-2019, no transaction of material nature has been entered into by the Company with its Promoters, the Directors or the management and relatives, etc., that may have a potential conflict with the interest of the Company.

All related party transactions are placed before the Audit Committee and also the Board meeting for approval. Omnibus approval of the Audit Committee and Board was obtained on a yearly basis for the transactions which are of a foreseen or repetition nature.

Suitable disclosure as required by applicable Accounting Standards (IND AS 24) has been made in the notes to the Financial Statements.

The Board of Directors of the Company, on the recommendation of the Audit Committee, adopted a policy on Related Party Transactions, to regulate the transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Policy as approved by the Board is uploaded on the Company's website at www.mpsinfotec.com. The details of the Related Party Transactions in Form AOC-2 are annexed to the Directors' Report.

(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

No penalty and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority nor has there been any instance of non – compliance with any legal requirements on any matter related to capital markets, during the last three years.

(c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

In accordance with the provisions of Section 177(9) of the Companies Act 2013 and the Rules made thereunder and also Regulation 22 of the SEBI (LODR) Regulations 2015, Whistle Blower Policy of the Company can be visited at its website http://www.mpsinfotec.com/investors_zone.html under the tab "Policies". The Company has not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and it has provided protection to "Whistle Blowers" from unfair termination and other unfair or prejudicial employment practices.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

All the applicable mandatory requirements of Corporate Governance norms as enumerated under Schedule II to the SEBI (LODR) Regulations, 2015.

- (e) **Web link where policy for determining ‘material’ subsidiaries is disclosed;** The Company has no material subsidiary as defined under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended or under the Companies Act, 2013, as amended, for the year ending March 31st, 2019.
- (f) **Web link where policy on dealing with related party transactions;** The Company’s policy for dealing with ‘related party’ transactions can be viewed at its website http://www.mpsinfotec.com/investors_zone.html under the tab “Policies”.
- (g) **Disclosure of commodity price risks and commodity hedging activities.**

The Company monitors the price of key commodities closely and formulates the procurement strategies basis actual price movements / trends / projections in India and Global Markets. The Company has adequate governance structure of aligning and reviewing the procurement strategies in line with external and internal dynamics.

- (h) **A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

The Certificate dated 30th May 2019 received from M/s. Kundan Agrawal & Associates Practicing Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority “Annexure-E.”

- (i) **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

Company has paid fees of Rs. 2,00,000/- to Statutory Auditors for all services and includes past outstanding.

- (j) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder and same is posted on the website of the Company and can be accessed at http://www.mpsinfotec.com/investors_zone.html. No complaint has been received during the financial year 2018-19.

13. DISCRETIONARY REQUIREMENTS

Furnishing of half yearly results:

The Company’s half yearly results are published in the newspapers and also posted on its website and are, therefore, not sent to the shareholders. However, the Company furnishes the quarterly and half yearly results on receipt of a request from the shareholders.

Reporting of Internal Auditor:

The Internal Auditor of the Company directly reports to the Audit Committee

14. COMPLIANCE WITH MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015.

“Go Green” Initiative

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

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

CEO and CFO Certification

The Certificate issued by the Managing Director (CEO) and Chief Financial Officer (CFO) certifying the accuracy of the financial statements and adequacy of internal controls for financial reporting, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended, forms part of this Annual Report.

**For and on behalf of the Board
MPS Infotecnics Limited**

**Place: New Delhi
Date: 30th May, 2019**

**Sd/-
Peeyush Kumar Aggarwal
Chairman & Managing Director
DIN: 00090423**

Declaration as required under Schedule V Part D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I declare that all Board Members and Senior Management have individually affirmed compliance with the code of business conduct and ethics adopted by the company during the year 2018-19. The Code of conduct is available on the Company’s website i.e. www.mpsinfotec.com.

**Date: 30th May 2019
Place: New Delhi**

**For and on behalf of the Board
MPS Infotecnics Limited
Sd/-
Peeyush Kumar Aggarwal
Chairman & Managing Director
DIN: 00090423**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To,
The Members of MPS Infotecnics Limited**

We have examined the compliance of conditions of Corporate Governance by MPS Infotecnics Ltd. for the financial year ended 31st March, 2019, as stipulated under Regulation 17 to 27 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 of the said Company with the Stock Exchanges.

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

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

We state that as per the report given by the Registrar and Transfer Agent of the Company to the Stakeholder' Relationship Committee, as on March 31st, 2019, there were no investor grievance matters against the Company remaining unattended / pending for more than 15 days.

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

**For Nemani Garg Agarwal & Co.,
Chartered Accountants
Firm Registration No. 010192N**

**Sd/-
SK Nemani
Partner
Membership Number - 037222**

**Place: New Delhi
Date: 30th May 2019**

CEO & CFO CERTIFICATION

**To,
The Board of Directors
MPS Infotecnics Limited
New Delhi**

We, Peeyush Kumar Aggarwal, Managing Director and Sanjay Sharma, CFO of MPS Infotecnics Limited, to the best of our knowledge and belief, certify that:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March, 2019 and:
 - (i) These Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These Financial Statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations;
- (b) There is, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2019, which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and Audit Committee that for the year ended 31st March, 2019, there were:
 - (i) Significant changes, if any, in internal control over financial reporting during the year;
 - (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) No instances of significant fraud of which we have become aware and there has been no involvement therein of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

**Sd/-
Peeyush Kumar Aggarwal
Managing Director**

**Sd/-
Sanjay Sharma
Chief Financial Officer**

**Place: Delhi
Date: 30th May 2019**

STANDALONE FINANCIALS

INDEPENDENT AUDITOR REPORT

To,
The Members of MPS Infotecnics Limited
Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying stand-alone Ind AS financial statements of **MPS Infotecnics Limited** (“MPS” or “the Company”), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit & Loss (including *Other Comprehensive Income*), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as *Standalone Financial Statements*).

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the “*Basis for Qualified Opinion*” section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, the **Loss** and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. There is no activity / progress in utilisation in respect of **Intangible Assets** comprising **Capital Work-in-progress** (software development) Rs.. 56 cr. (note 1(C) of the Financial Statements), software rights Rs.. 36 cr. (note 1(B)) and **stock-in-trade** (source codes) Rs.. 62 cr. (note 1) which are being carried forward in the accounts since the last over 3 years.

We are unable to comment on the extent of impairment loss, if any.

2. **Investments in subsidiaries** Rs. 62 cr.
MPS has 3 subsidiaries in Mauritius, Hong Kong and Thailand; there have been no operations in these overseas subsidiaries since the last few years, nor is there any updated information in respect thereof.

Assets and liabilities of these subsidiaries aggregating to Rs.. 62 cr. appear as “Non-current investments” (note 2) in the accounts for the year, at original cost.

No audit of the subsidiaries has been done either by us or by a local audit firm.

In view of the above, there is uncertainty in the realization of receivables of these subsidiaries, aggregating to Rs.. 15.13 cr.

3. **Disputed bank balance in overseas Bank** Rs.. 35 cr.
Funds raised by MPS from GDR issue in FY 2007-08 were kept in an account with Banco Efisa in Lisbon, Portugal to be deployed in terms of the Information Memorandum of the GDR issue.

During FY 2008-09, the Bank debited USD 8,883,210.75 out of the balance in this account; the company has denied and disputed this debit and initiated legal action under criminal jurisprudence of Portuguese Law. Based on information arising during the investigation, MPS has also filed a civil suit against the Bank and its Holding Company for recovery of the disputed amount along with interest.

Though the Company’s advocates have confirmed that the chances of recovery are very high, yet Bank Balances to the extent of Rs. 35 cr. is overstated.

4. **Non-payment of fees to Registrar of Companies Rs.. 5.37 cr.**

The Company had increased the authorised capital in stages during the period 2010 to 13; applicable fees has not been paid to the RoC.

Meanwhile the schedule of fees was increased substantially by the Companies Act, 2013 ; MPS's writ petition challenging the revision in fees on the ground that the capital was increased prior to the 2013 Amendment, has been dismissed by the Delhi High Court.

MPS has filed Special Leave Petition in the Supreme Court in April 2019.

The amount payable Rs. 4.88 cr. (calculated as per Companies Act, 1956) appears as "other current liabilities" (note 9 and 14); provision has been made for the additional fees, which is reflected under the head "Other Expenses – Rates & Taxes.

5. **Default in deposit of Income tax dues Rs. 20.80 Lacs.**

The Company has defaulted in deposit of income tax dues aggregating to Rs. 20.80 Lacs for the AY 2013-14; provision appears under the head "Short Term Provisions" (note 12).

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs).

Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

Key Audit Matters

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

In addition to the matters described in the *Basis for Qualified Opinion* section above, we have determined the matters described below to be the key audit matters to be communicated in our report.

1. **Evaluation of uncertain tax positions:**

The Company has material uncertain direct and indirect tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Note 21 under the head "*Contingent Liabilities*" in the Standalone Financial Statements.

Auditor's Response.

We obtained from the Company's management, details of the status as of 31 March 2019 concerning tax assessments and demands for current as well as past years. We assessed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes to evaluate whether any change was required to management's position on these uncertainties.

2. Company's business model

MPS's existing business model has been impacted by the uncertainty due to its high dependence on Telecommunication segment which has shown a significant decline due to very tough competition from online operators and other service providers such as Vodafone, Idea, Jio and others who have been providing similar services. This has resulted in losses leading to difficulty in bank financing and increasing dependence on loans from others.

MPS has diversified into export of telecommunication equipments on trial basis; MPS hopes to recover losses and make profit in due course by way of continued exports and better purchase prices on volume-buying.

3. National Stock Exchange, on directions from SEBI, initiated punitive action against MPS as a “**shell company**” and placed restrictions on sale of shares by the promoters; the company, vide its letter dated May 4, 2019 responded to the observations raised by the forensic auditor appointed by NSE.

4. Default in payment of working capital dues

The cash-credit account of the company with Allahabad Bank was declared as NPA by the Bank; against the one-time settlement with the Bank for Rs.. 2.66 Cr, the overdue arrears as on 31 Mar 2019 is Rs.. 2.76 Cr.

No provision has been made for penal interest payable on the defaulted amount.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in ;

- (i) planning the scope of our audit work and in evaluating the results of our work; and

- (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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, please refer to our separate Report in "**Annexure 2**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

- ii. There are no long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Nemani Garg Agarwal & Co.,**
Chartered Accountants
Firm Reg. No.010192N

SD/-
SK Nemani
Partner
Membership no. 037222

Place: New Delhi
Date: 30 May 2019

“Annexure-1”

(Referred to in paragraph 1 under “Report on other Legal and Regulatory requirements” section in our Report of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and physical fixed assets have been noticed.
- (c) The company has no immovable properties.
- ii) (a) The inventories excluding material in transit have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable.
- (b) There were no discrepancies noticed on physical verification of Inventory as compared to book records.
- iii) The Company has not granted any loans, secured or unsecured, to the companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the order are not applicable to the company.
- 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 Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013. Therefore the provisions of this clause do not apply.
- vii) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March 2019 for a period of more than six months from the date on when they become payable except for the following:
 - (a) According to the information and explanations given to us, there are Service Tax dues aggregating to Rs. 35.53 Lacs,- against which the company has paid Rs. 10,00,000. The balance amount of Rs. 25,53,123 has not been deposited as at 31st March, 2019 and has been disputed by the Company, the details of which are mentioned hereunder:

Name of the Statute	Nature of Dues	Period / Year	Amount Rs. lacs	Forum before which dispute is pending
Service Tax	Demand raised by the Department	From 01.07.2012 to 31.03.2013	16.94	Additional Commissioner, Range 47, Nehru Place, New Delhi
Service Tax	Demand raised by the Department	FY 2013-14	12.37	Additional Commissioner, Range 47, Nehru Place, New Delhi
Service Tax	Demand raised by the Department	FY 2014-15	6.22	Additional Commissioner, Range 47, Nehru Place, New Delhi

According to the information and explanations given to us, there are Income Tax dues aggregating to Rs. 6.93 cr. which has not been deposited as at 31st March, 2019 as under:

Income Tax	Demand raised by the Department	FY 2010-10	Rs. 4.65 Cr,	Order has been passed in favour of the company, However, the department has filed an appeal before the Hon'ble Delhi High Court
Income Tax	Demand raised by the Department	FY 2011-12	Rs. 2.28 Cr.	Order has been passed in favour of the company, however, the department has filed an appeal before the Hon'ble Delhi High Court

- i) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to Allahabad Bank, for an amount of Rs.. 2.76 Cr. overdue payable, against working capital facilities granted by the Bank.
- ii) Based upon the audit procedures performed and the information and explanation given by the management, the company has not raised moneys during the year by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the company and hence not commented upon.
- iii) Based upon the audit procedures performed and the information and explanation given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- iv) Based upon the audit procedures performed and the information and explanation given by the management, no managerial remuneration has been paid or provided ; accordingly, the provisions of section 197 read with Schedule V to the Companies Act are not applicable.
- v) The Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company

- vi) In our opinion, transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.
- vii) Based upon the audit procedures performed and the information and explanation given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3 (xiv) of the Order are not applicable to the company.
- viii) Based upon the audit procedures performed and the information and explanation given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provision of clause 3 (xv) of the Order are not applicable to the company and hence not commented upon.
- ix) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the company and hence not commented upon.

For Nemani Garg Agarwal & Co.,
Chartered Accountants
Firm Reg. No.010192N

SD/-
SK Nemani
Partner
Membership No. 037222

Place: New Delhi
Date: 30 May 2019

“Annexure – 2”

(Referred to in paragraph 1(f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date)

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

We have audited the internal financial controls over financial reporting of MPS Infotecnics Ltd. (“the Company”) as of 31 March 2019 in conjunction with our audit of the stand-alone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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 March 2019, 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 **Nemani Garg Agarwal & Co.,**
Chartered Accountants
Firm Reg. No. 010192N

SD/-
SK Nemani
Partner
Membership no. 037222

Place: New Delhi
Date: 30 May 2019

“Standalone Balance-Sheet as at March 31, 2019”

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	1(A)	699,044	245,162
Capital Work In Progress		-	-
Investment Property		-	-
Intangible Assets	1(B)	266,301,727	301,959,228
Intangible Assets Under Development	1(C)	564,439,755	564,439,755
Financial Assets:			
Investments	2	617,485,195	617,485,195
Loans		-	-
Other Financial Assets		-	-
Deferred Tax Assets (Net)		-	-
Other Non Current Assets	3	2,238,886,129	2,235,899,216
Total Non Current Assets		3,687,811,851	3,720,028,556
Current Assets			
Inventories	4	621,971,389	623,171,983
Financial Assets			
Trade Receivables	5	193,642,482	219,172,422
Cash And Cash Equivalent-Owned Fund	6(a)	267,682	358,099
Bank Balances & Loans	6(b)	348,698,551	349,175,353
Other Financial Assets		-	-
Current Tax Assets (Net)		-	-
Other Current Assets	7	33,390,755	36,864,777
Total Current Assets		1,197,970,858	1,228,742,635
TOTAL ASSETS		4,885,782,709	4,948,771,191
EQUITY AND LIABILITIES			

Equity Share Capital	8	3,774,436,655	3,774,436,655
Other Equity	9	661,289,178	748,512,275
Total Equity		4,435,725,833	4,522,948,930
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	10	20,789,185	17,119,619
Deferred Tax Liability (Net)		61,708,570	26,870,689
Other Non-Current Liabilities		-	-
Total Non-Current Liabilities		82,497,755	43,990,308
Current Liabilities			
Financial Liabilities:			
Borrowings	11	206,980,854	205,726,728
Trade Payables		40,611,270	52,941,902
Other Financial Liabilities			
Provisions	12	4,368,429	5,189,960
Other Current Liabilities	13	115,598,564	117,973,361
Current Tax Liability			
Total Current Liabilities		367,559,116	381,831,952
Total Equity and Liabilities		4,885,782,709	4,948,771,191
Notes On Financial Statements and Significant Accounting Policies	1-26 27		

As per our Audit Report of even date
For Nemani Garg Agarwal & Co.
Directors

Chartered Accountants
FRN No.: 010192N

SD/-
S.K. Nemani
Partner
M. No. : 03722

Place: Delhi
Date: 30/05/2019

For and on behalf of the Board of

Peeyush Kumar Aggarwal
Managing Director
DIN: 00090423

Rachit Garg
Director
DIN: 07574194

Prachi Sharma
Company Secretary

Sanjay Sharma
Chief Financial Officer

“Standalone Statement of Profit And Loss for the Year Ended March 31, 2019

PARTICULARS	NOTE NO.	YEAR ENDED	YEAR ENDED
		31.03.2019	31.03.2018
REVENUE			
Revenue From Operations	14	170,039,069	770,511,058
Other Income	15	1,249,176	68,586,691
Total Revenue		171,288,245	839,097,749
Expenditure			
Purchase Of Stock -In -Trade & Services		166,791,432	762,244,242
Change In Inventories	16	1,200,595	(862,095)
Employee Benefit Expenses	17	5,564,195	15,160,548
Finance Cost	18	5,999,442	32,116,623
Depreciation & Amortisation Expenses		35,213,617	16,253,010
Other Expenses	19	9,995,467	14,203,117
Total Expenditure		224,764,748	839,115,445
Profit Before Tax		(53,476,502)	(17,696)
Tax Expenses			
- Current Tax		-	-
- Earlier Years (Net)		-	36,028,651
- Deferred Tax (Net)		34,837,882	10,898,270
Profit After Tax		(88,314,384)	25,112,686
OTHER COMPREHENSIVE INCOME			
Items That Will Not Be Reclassified Subsequently To Profit & Loss			
- Remeasurements Of The Defined Benefit Liability/Asset		1,091,286	368,691
- Gain Or Loss Arising On Fair Valuation Of Equity Instrument		-	-
Total Other Comprehensive Income (Net Of Tax)		1,091,286	368,691
Total Comprehensive Income For The Year			

		(87,223,097)	25,481,377
Earnings Per Share (Equity Share of Rs 10/- Each) - Basic & Diluted		(0.023)	0.007
Weighted Average Number of Equity Shares Used in Computing Earnings Per Share		3,774,436,655	3,774,436,655
Notes On Financial Statements Significant Accounting Policies	1-26 27		

**As per our Audit Report of even date
For Nemani Garg Agarwal & Co.**
Chartered Accountants
FRN No.: 010192N

For and on behalf of the Board of Directors

S.K. Nemani
Partner
M. No. : 03722

Peeyush Kumar Aggarwal
Managing Director
DIN: 00090423

Rachit Garg
Director
DIN: 07574194

Place: Delhi
Date: 30/05/2019

Prachi Sharma **Sanjay Sharma**
Company Secretary Chief Financial Officer

“Standalone Statement of Cash Flow as at March 31, 2019”

Particulars		As At	As At
		March 31, 2019	March 31, 2018
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax	(53,476,502)	(17,696)
	Adjustment for :		
	Depreciation & Amortisation	35,213,617	16,253,010
	Leave Encashment	81,480	(187,485)
	Gratuity	(903,011)	(7,890)
	Comprehncive Income	1,091,286	413,690
	Provision for Income Tax & Interest on Income Tax A.Y. 2013-14		
	Interest & Other Costs	5,999,442	32,116,623
	Interest Received	(1,197,302)	(298,924)
	(Profit) / Loss on sale of Fixed Assets	(46,000)	(68,062,392)
	Operating Profit Before Working Capital Changes	(13,236,990)	(19,791,064)
	(Increase)/Decrease in Current Assets	30,204,556	156,628,721
	Increase/(Decrease) in Current Liabilities	(13,451,304)	(190,045,249)
	Net Cash from Operating Activities (A)	3,516,262	(53,207,592)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(9,999)	(261,587,999)
	Sale of Fixed Assets	46,000	71,100,000
	Change in Capital WIP	-	261,575,000
	Interest Received	1,197,302	298,924
	Long term Loans & Advances	(2,986,913)	10,493,144
	Net Cash Outflow in Investing Activities (B)	(1,753,610)	81,879,069
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Issue of Equity Shares	-	-
	Share Application Money Received	-	-
	Increase / (Decrease) in Long Term Borrowings	3,669,566	1,798,619
	Prior Period Item	-	-
	Interest Paid	(5,999,442)	(32,116,623)
	Net Cash inflow from Financing Activities (C)	(2,329,876)	(30,318,004)
	Foreign Currency Translation Reserve		
	Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(567,220)	(1,646,524)
	Cash and Cash Equivalent as at 01/04/2018	349,533,452	351,179,977
	Cash and Cash Equivalent as at 31/03/2019	348,966,232	349,533,452

Notes:

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

**As per our Audit Report of even date
For Nemani Garg Agarwal & Co.
Chartered Accountants
FRN No.: 010192N**

For and on behalf of the Board of Directors

S.K. Nemani
Partner
M. No. : 03722

Peeyush Kumar Aggarwal
Managing Director
DIN: 00090423

Rachit Garg
Director
DIN: 07574194

**Place: Delhi
Date: 30/05/2019**

Prachi Sharma **Sanjay Sharma**
Company Secretary Chief Financial Officer

Notes to the standalone financial statements

for the year ended March 31, 2019

Schedule of Depreciation as per Schedule II of Companies Act, 2013												
Note 1 - Fixed Assets												
Description	RATE	Gross Block			Depreciation / Amortization					Net Block		
		As At 01.04.2018	Additions / Adjustments	Deductions / Adjustments	As At 31.03.2019	As At 01.04.2018	For the Period	Adjustments	Deductions	As At 31.03.2019	As At 31.03.2019	As At 31.03.2018
A. PROPERTY PLANT & MACHINERY :												
Building	1.63%	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery												
- Computers and Peripherals	16.21%	34,326,883	-	-	34,326,883	34,289,235	66,114	187,768	-	34,167,581	159,302	37,648
-Office Equipments	4.75%	14,319,414	9,999	-	14,329,413	14,251,878	106,720	175,284	-	14,183,314	146,099	67,536
Vehicles	9.50%	5,206,584	-	826,691	4,379,893	5,079,047	12,167	-	826,691	4,264,523	115,370	127,537
Furniture & Fixtures	6.33%	15,539,164	-	-	15,539,164	15,526,722	27,284	293,115	-	15,260,891	278,273	12,442
Sub Total (A)		69,392,045	9,999	826,691	68,575,353	69,146,883	212,285	656,167	826,691	67,876,310	699,044	245,162
B. INTANGIBLE ASSETS :												
Goodwill	10.00%	2,800,000	-	-	2,800,000	2,800,000	-	-	-	2,800,000	-	-
Software	10.00%	356,575,000	-	-	356,575,000	54,615,773	35,657,500	-	-	90,273,273	266,301,727	301,959,228
Sub Total (B)		359,375,000	-	-	359,375,000	57,415,773	35,657,500	-	-	93,073,273	266,301,727	301,959,228
Total (A+B)		428,767,045	9,999	826,691	427,950,353	126,562,656	35,869,784	656,167	826,691	160,949,582	267,000,771	302,204,390
C. CAPITAL WORK IN PROGRESS												
Capital Work-in-Progress (including Advances on Capital)		564,439,755	-	-	564,439,755	-	-	-	-	-	564,439,755	564,439,755
Grand Total A+B+C		993,206,800	9,999	826,691	992,390,108	126,562,656	35,869,784	656,167	826,691	160,949,582	831,440,526	866,644,145

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
2	NON-CURRENT INVESTMENTS		
	In Equity Shares of Subsidiaries Companies		
	Axis Convergence Inc -20000 Equity Share (20000E.S.)	403,985,905	403,985,905
	Greenwire Network Ltd.-25641 Equity Share (25641 E.S.)	201,479,237	201,479,237
	Opentec Thai Network Specialists Co. Limited-129995 Equity Shares (129995 E.S.)	12,020,053	12,020,053
	Total	617,485,195	617,485,195

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
3	OTHER NON-CURRENT ASSETS		
	a. LONG-TERM LOANS & ADVANCES		
	Advances with Tax Authorities	13,249,408	14,726,488
	Other Loans and Advances		

		2,225,605,333	2,221,141,340
	Total (a)	2,238,854,741	2,235,867,828
	b. OTHER NON-CURRENT ASSETS	-	-
	Prepaid Rent on Security Deposit	31,388	31,388
	Total (b)	31,388	31,388
	Total (a) + (b)	2,238,886,129	2,235,899,216

Notes :

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

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
4	INVENTORIES		
	Stock-in-Trade	621,971,389	623,171,983
	Total	621,971,389	623,171,983

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
5	TRADE RECEIVABLES		
	(Unsecured & Considered Good)		
	Over Six Months	192,294,073	206,135,332
	Others	1,348,409	13,037,090
	Total	193,642,482	219,172,422

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

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
6 (a)	CASH BALANCES		
	Cash in hand	267,682	358,099
	Total (a)	267,682	358,099
6 (b)	BANK BALANCES		
	Balances with Banks	371,387	848,190
	Fixed Deposits with Banks	435,000	435,000
	Balances with Foreign Bank - Banco Efisa	347,892,163	347,892,163
	Total (b)	348,698,551	349,175,353
	Total (a) (b)	348,966,232	349,533,452

Note:

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

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
7	OTHER CURRENT ASSETS		
	SHORT TERM LOANS & ADVANCES		
	Advances to Staff	-	104,000
	Advance to Suppliers	27,882,440	31,453,477
	Advance with Tax Authorities	404,649	158,598
	Total (a)	28,287,090	31,716,075
	OTHER CURRENT ASSETS		
	Security Deposits	501,334	501,334
	Security Deposit Amortisation Adjustment	(31,388)	(31,388)
	Prepaid Expenses	4,223,545	4,303,749
	Interest accrued but not due	410,175	375,007
	Total (b)	5,103,666	5,148,702
	Total (a) + (b)	33,390,755	36,864,777

Notes :

- 1** Other Loans & Advances, Advance to suppliers are subject to balance confirmation, however these loans and advances are considered good and recoverable by the management

8	SHARE CAPITAL	As at 31.03.2019	As at 31.03.2018
	Equity Share Capital		
	Authorised Share Capital :	3,775,000,000	3,775,000,000
	3,775,000,000 Equity Share of Re.1/- each		
	(Previous Year 3,775,000,000 equity share of Re. 1/- each)		
(a)	Issued, Subscribed & Paid Up Share Capital :		
	(377,44,36,655 Equity Shares of Re. 1/- each Includes	3,774,436,655	3,774,436,655

	102,404,764 Equity Shares Consequent to issue of 46,54,762 GDR vide information Memorandum Dated December 4 , 2007)		
	Total	3,774,436,655	3,774,436,655

Notes:

- The Company has only one class of equity shares having a par value of Re.1/- each per share. Each holder of equity share is entitled to one vote per share.
- In the event of liquidation of the Company, holders of equity shares will be entitled to receive their share of the remaining assets of the Company after discharging the liabilities of the Company.
- The Company had increased the authorized capital during the Financial Year 2010-11 to 2012-13. However due to technical issues, necessary forms along with fees w.r.t. increase in Authorized Capital, could not be filed and paid. Meanwhile the Companies Act, 1956 was replaced by Companies Act, 2013 & consequently schedule X of Companies Act, 1956, was replaced by Companies (Registration Offices and Fees) Rules, 2014, resultantly the fees which was payable under the Companies Act, 1956 increased drastically pursuant to the Companies (Registrar Offices and Fees) Rule, 2014. Since the Authorized Capital of the Company was increased prior to Companies Act, 2013, on the advice of company law experts, the Company preferred a writ petition before the Hon'ble Delhi High Court challenging the applicability of provisions prescribed under Para 3 of Table B of the Companies (Registrar Offices & Fees) Rules, 2014. The writ petition which was registered as WP(C) No. 5199 / 2015, was dismissed by the Hon'ble Delhi High Court. The orders passed by the Hon'ble Delhi High court, has been challenge before the Hon'ble Supreme Court and the same is pending.

The Details of Shareholders holding more than 5 % shares :				
Name of the Shareholder	31st March, 2019		31st March, 2018	
	No. of Shares	% held	No. of Shares	% held
Mr. Peeyush Aggarwal	786,750,193	20.844%	786,750,193	20.844
Omkam Capital Markets Pvt. Ltd.	341,000,000	9.034%	341,000,000	9.034
Omkam Global Capital Pvt. Ltd.	-	0.000%	138,562,036	3.671
Omkam Securities Markets Pvt. Ltd.	-	0.000%	92,000,000	2.437
Ms. Seema Aggarwal	-	-		

The reconciliation of the number of shares outstanding is set out as below		
Particulars	31st March, 2019	31st March, 2018
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	3,774,436,655	3,774,436,655
Add: Shares issued on conversion of convertible warrants	-	-
Equity Shares at the end of the year	3,774,436,655	3,774,436,655

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
9	Other Equity		
	a. Reserves & Surplus		
	Capital Reserve	51,457,116	51,457,116
	Securities Premium Reserve	899,102,506	899,102,506
	General Reserve	26,073,430	26,073,430
	Foreign Currency Translation Reserve		-
	(Less):-		
	Deficit in earlier year	(228,489,467)	(253,602,154)
	Deficit during the year	(88,314,384)	25,112,686
		659,829,201	748,143,584
	b. Other Comprehensive Income		
	Items that will not be subsequently reclassified to OCI		
	Remeasurements of Defined Benefit Liability	1,459,977	368,691
	Total (a+b)	661,289,178	748,512,275

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
10	LONG TERM BORROWINGS		
	Secured		
	Loans from Other Banks & Institution	20,789,185	17,119,619
	Total	20,789,185	17,119,619

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
11	SHORT TERM BORROWING		
	Secured		
	Working Capital Loan from Allahabad Bank	27,599,876	26,600,000
	Unsecured		
	Others	179,380,978	179,126,728
		206,980,854	205,726,728

Notes :

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

(i) Company had entered into an OTS for a sum of Rs. 118,650,000.00 with Allahabad Bank as on 14.01.2016 and paid a sum of Rs. 102,740,318/- till 31.05.2017 and further entered into an OTS of Rs. 266.00 Lacs and paid Rs. 13.30 lacs. The balance amount along with interest, as on 31.03.19 is overdue.

(ii) Other Unsecured loans include a sum of Rs. 174,015,043 from directors.

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
12	SHORT TERM PROVISIONS		
	Provision for Income Tax	2,080,074	2,080,074
	Provisions for Employees Benefits - Leave Encashment	1,510,016	1,428,536
	Provisions for Employees Benefits - Gratuity	778,339	1,681,350
	Total	4,368,429	5,189,960

Note:- Income tax liability amounting to Rs. 20.80 Lacs in respect of assessment year 2013-14, still payable against which provision for income tax, has already been made in the books of account. As such this liability has no further impact on the profits / retained earnings of the reported period of the company.

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
13	OTHER CURRENT LIABILITIES		
	Advance from customers	14,763,036	58,396,799
	Other Payables	100,835,527	59,576,563
	Total	115,598,564	117,973,361

Note : - Other payable includes Rs. 5.37 Crores towards ROC fees in connection with increase in Authorised share capital from Rs. 52.45 Crores to Rs. 377.50 Crores in various EGMs held and Merger through Court orders during the Period from FY 2010-11 to FY 2012-13. Kindly refer Note No. 8 (3) under the head "Share Capital".

Note: Trade Payables are subject to balance confirmation.

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
14	REVENUE FROM OPERATIONS		
	Sale of Products & Services	170,039,069	770,511,058
	Total	170,039,069	770,511,058

Note No	Particulars	As at 30.09.2019	As at 31.03.2018
15	OTHER INCOME		
	Miscellaneous Income	5,874	225,375
	Profit on sale of Fixed Assets	46,000	68,062,392
	Prepaid Income on Security Deposit	31,388	-
	Interest income	1,197,302	298,924
		-	-
	Total	1,249,176	68,586,691

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
16	CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
	Opening Stock	623,171,984	622,309,889
	Less: Closing Stock	621,971,389	623,171,984
	Total	1,200,595	(862,095)

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
17	EMPLOYEE'S BENEFIT EXPENSES		
	Salaries and Wages	5,328,542	14,245,494
	Contribution to Provident and Other Funds	171,148	502,397
	Staff Welfare Expenses	64,505	412,657
	Total	5,564,195	15,160,548

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
18	FINANCE COST		
	Interest Expenses	5,999,442	32,116,623
	Total	5,999,442	32,116,623

Note No	Particulars	As at 31.03.2019	As at 31.03.2018
19	OTHER EXPENSES		
	Advertisement and Publicity	142,560	106,721
	AGM / Board Meeting Expenses	10,256	8,040
	Audit Fees	150,000	150,000
	Bank Charges	95,439	185,814
	Business Promotion Expenses	-	114,330
	Commission	-	644,068
	Communication Expenses	59,701	485,890
	Conveyance Expenses	28,164	494,406
	Exchange Rate Fluctuation	34,406	36,423
	Insurance Expenses	-	45,238
	Legal & Professional Charges	438,490	960,722
	Listing Fees	1,407,133	1,502,736
	Power, Fuel & Water Charges	153,847	798,437
	Printing & Stationery	90,250	119,054
	Rates & Taxes	5,055,415	5,295,635
	Rent Charges	2,223,336	2,223,336
	Repair & Maintenance Charges	48,577	369,812

	Security Service Charges	-	249,000
	Subscription & Membership Fees	-	42
	Short & Excess	-	5,005
	Server Rentals	-	143,835
	Travelling & Tour Expenses -Others	18,402	74,658
	Vehicle Running & Maintenance	39,490	189,914
	Total	9,995,467	14,203,117

Note 20 - Disclosure Under Accounting Standard 11- Transactions occurred in Foreign Currency		
	(Amount in Rs.)	
Particulars	As at 31st March, 2019	As at 31st March, 2018
Import/Export in Foreign Currency		
FOB Value of Export	172,958	73,796
Value of Imports	1,837,890	1,655,730
Expenditure in Foreign Currency	-	-
Profit and (Loss) Foreign Exchange Fluctuation		
Net Profit / (Loss) in Foreign Exchange Fluctuation	(34,406)	(36,423)

Note 21 - Disclosure under Accounting Standard 29 - Contingent Liabilities

A. Dues of Income Tax

a) A.Y. 2006-07 Rs. Nil (Rs. 1,245,589/-),

c) A.Y. 2008-09 Rs. 465,50,998/- (Nil)

d) A.Y. 2009-10 Rs. 2,27,56,825/- (Nil)

e) A.Y. 2010-11 Nil (27,306,810/-)

f) A.Y. 2011-12 Nil (445,798,390/-),

B. Interest on Cash Credit (NPA as per Bank) of Rs. 1,45,02,084/- (Rs. 1,30,23,422/-), which is under settlement with Bank .

C. ROC fees for increase in authorised share capital Rs. 3,91,22,905/- (Rs.3,52,22,305/-).

D. Bank Guarantee Rs. 2,00,000.00 issued to Unique Identification Authority of India. (Rs. 2,00,000)

E. Service Tax demand Rs. 35,53,123/- against this Rs. 10,00,000/- paid. (Rs. 25,53,123/-)

Note 22 - Payment to auditors		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Audit Fee for		
-Statutory Audit	150,000	150,000

Note 23 - Disclosure under Accounting Standard 17 - Segment Reporting				
Particulars for the year ended 31st March, 2019	Business Segments			
	IT Solutions & Products	IT Enabled Services	Telecommunication	Total
Revenue	1,151,912 19,654,818	5,005,572 5,013,686	163,881,586 745,842,554	170,039,069 770,511,058
Inter-Segment Revenue	-	-	-	-
Total	1,151,912 19,654,818	5,005,572 5,013,686	163,881,586 745,842,554	170,039,069 770,511,058
Segment Result	(435,673) (324,028)	(2,626,568) 412,907	(8,872,026) (18,641,136)	(11,934,267) (18,552,257)
Interest				5,999,442 (32,116,623)
				(17,933,709) (50,668,880)
Un-allocable Expenses (net)				36,791,968 (17,935,507)
Operating Income				(54,725,678) (68,604,387)
Other Income (net)				1,249,176 (68,586,691)
Extra ordinary & prior period items				- -
Profit before tax				(53,476,502) (17,696)
Tax Expenses				34,837,882 (25,130,382)
Net Profit for the year				(88,314,384) (25,112,686)

Note:

1. Primary Segmentation has been done according to the nature of product & services. The Company's Operations predominantly relate to the following segments:

- a) IT Solution & Products (including software)
- b) IT Enabled Services
- c) Telecommunication

2. There is no Inter division or Inter Segment transfer of goods.

3. Since Fixed Assets used in the company's business cannot be specifically identified with any of the reportable segment, as these are used inter changeably among segments, therefore segment wise disclosure on capital employed has not been furnished.

4. The Company caters mainly to the Domestic market and the Export turnover is not significant in the context of the total turnover. As such there are no geographical segments

Note 24 - RELATED PARTY DISLOSURES		
Description of Relationship	Names of Related Parties	Outstanding Balance As At 31st March, 2019
Ultimate Holding Company	No	
Holding Company	No	
Subsidiary Companies	Axis Convergence Inc Greenwire Network Limited Opentec Thai Network Specialists Limited	
Fellow Subsidiary Company	No	
Key Management Personnel (KMP)	Mr, Peeyush Kumar Aggarwal (Chairman & M.D.) Ms. Garima Singh (Company Secretary) Mr. Sanjay Sharma (CFO)	(174,015,043) - -
Relatives of KMP	None	-
Entities in which KMP/ Relatives of KMP can exercise significant influence	Omkam Global Capital Private Limited	(39,564,853)

Note:

1. Related Parties transactions during the year, have been identified by the management

Particulars	Mr. Peeyush Kumar Aggarwal	Omkam Global Capital Private Limited	Ms. Garima Singh	Mr. Sanjay Sharma

Sale, Purchase or supply of any Goods or material		-	-	-
Selling or otherwise disposing of, or buying property of any kind		-	-	-
Leasing of property of any kind		-	-	-
Availing or rendering of any services				
<ul style="list-style-type: none"> • Remuneration to Directors & KMPs • Unsecured Loans from Directors • Other Payables 	- (17,40,15,043)	- (3,95,64,853/-)	1,51,174/- -	7,82,500/- -
Appointment of any agent for purchase or sale of goods, material, services or property	-	-	-	-
Appointment of related party to any office or place of profit in the company, subsidiary or Associate Company	-	-	-	-
Underwriting the subscription of any securities or derivatives thereof of the Company	-	-	-	-

Note 25 - EARNINGS PER SHARE (EPS)		
		(Amount in Rs.)
Particulars	As at 31 March 2019	As at 31 March 2018
Basic		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(88,314,384)	25,112,686
Weighted Average number of equity shares used as denominator for calculating EPS	3,774,436,655	3,774,436,655
Basic Earnings per share	(0.023)	0.007
Face Value per equity share	1	1
Diluted		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(88,314,384)	25,112,686
Weighted Average number of equity shares used as denominator for calculating EPS	3,774,436,655	3,774,436,655
Basic Earnings per share	(0.023)	0.007
Face Value per equity share	1	1

Note 26 - DEFERRED TAX		
Particulars	As at 31 March 2019	As at 31 March 2018
WDV As per Company's Books	267,000,771	302,204,390
Depreciation as per Income Tax Act, 1961	130,720,559	215,202,254
Timing Difference B/w Depreciation as per Companies Act and Income Tax Act	136,280,212	87,002,136
Provision for Employee Benefit	2,288,355	3,109,886
Total	(133,991,857)	(83,892,250)
Closing DTA transferred to Profit & Loss account	(34,837,882)	(10,898,270)
Opening DTL	(26,870,689)	(15,972,419)
Deferred Tax Liability / (Assets) (Net)	(61,708,570)	(26,870,689)

Note No. 27- SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance with Ind AS

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2016 with restatement of previous year figures presented in this financial statements. Accordingly, the financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with Ind AS-101 First time adoption of Indian Accounting Standards.

The transition was carried out from Generally Accepted Accounting Principles in India which comprised of applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), relevant applicable provisions of the Companies Act, 1956, and the Companies Act, 2013 to the extent applicable and the applicable guidelines issued by the Securities and Exchange Board of India (SEBI) ("Previous GAAP").

These financial statements for the year ended 31st March, 2019 are the second financial statements of the Company prepared in accordance with Ind AS. The date of transition to Ind AS was 1st April, 2016.

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

A. Basis of Accounting & Preparation of Financial Statements

These financial statements are prepared on the accrual basis of accounting, under the historical cost convention except for the following:

- i) Certain financial assets and financial liabilities measured at fair value;

There is no change in the system of accounting as being consistently followed from earlier years unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time between procurement of raw material and realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

C. Property, plant and equipment (PPE) and Capital work-in-progress (CWIP) Transition to Ind AS

The Company has elected to continue with carrying value of all Property, plant and equipment and Capital work-in-progress (CWIP) under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2016.

Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation and impairment) adjusted by revaluation of certain assets.

The Property, plant and equipment (PPE) and Capital work-in-progress (CWIP) are stated at cost net of cenvat credit and/or at revalued price less accumulated depreciation and Accumulated Impairment.

Useful life of assets are considered on the basis of schedule-II of Companies Act 2013.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

D. Leased Assets

Operating Leases: Rentals are expensed with reference to lease terms and other considerations.

E. Intangible Assets

Transition to Ind AS:

The Company has elected to continue with carrying value of computer software under the previous GAAP, as deemed cost as at the transition date i.e. 1st April, 2016. Under the previous GAAP, computer software was stated at their original cost (net of accumulated amortization and accumulated impairment, if any).

Intangible assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

F. Depreciation and Amortisation

Depreciation on fixed assets is provided to the extent of depreciable amount on straight line method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life. Intangible Assets are amortised over a period of 10 years considering the useful life of the underlying assets on Straight Line Basis.

G. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

H. Foreign Currency Transactions

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b. Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognised as exchange difference
- c. Non monetary foreign currency items are carried at cost.
- d. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

I. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided by the management after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial instruments

Financial assets and financial liabilities are recognized in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- 1) At amortized cost,
- 2) At fair value through other comprehensive income (FVTOCI), and
- 3) At fair value through profit or loss (FVTPL).

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- 1) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- 2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Equity investments

All equity investments in the scope of IndAS 109 are measured at fair value except in case of investment in subsidiary carried at deemed cost and associate carried at cost.

Deemed cost is the carrying amount under the previous GAAP as at the transition date i.e. 1st April, 2016. Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present in OCI subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. When the fair value has been determined based on level 3 inputs, the difference between the fair value at initial recognition and the transaction price is deferred and after initial recognition deferred difference is recognized as gain or loss to the extent it arises from change in input to valuation technique. If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI.

There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

J. Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, charges in bringing them to their respective present location and condition.

K. Revenue Recognition

Revenue from Fixed Price Software Contracts is recognized principally on the basis of completed Milestones as specified in the contracts.

Software Development and Services are recognized on time basis as per terms of specified contracts.

Sale of Software / Hardware products is recognized on the dispatch of goods from company's premises. No provision has been made for possible returns or expenses during the warranty period.

Income from Annual Maintenance Contracts, Web Hosting and Domain Registration are accounted for in the ratio of period expired to the total period of the contract and the amount received from the customers towards the un-expired portion of such contract is treated as advance received. Interest Income is recognized on time proportion basis.

L. Employee Benefits

(a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.

(b) **Post-employment benefits:**

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards provident fund. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which employee renders the related service.

Defined benefit plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized in the other comprehensive income

Long term employment benefits

The Company's net obligation in respect of long-term employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

M. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

N. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit.

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

Deferred tax assets are recognized for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. 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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognized on all taxable temporary differences.

O. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent

Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

P. Estimated fair value of unlisted securities

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques including the net assets value (NAV) model. The Group uses its judgment to select a variety of method / methods and make assumptions that are mainly based on market conditions existing at the end of each financial year. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- Q.** The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation

CONSOLIDATED FINANCIALS

INDEPENDENT AUDITOR REPORT

To,
The Members of MPS Infotecnics Limited
Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **MPS Infotecnics Limited** (“MPS” or “Holding company”) and its subsidiaries, (the Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31 March 2019, and the Consolidated Statement of Profit and Loss (*including Other Comprehensive Income*), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as “*the Consolidated financial statements*”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (‘Ind AS’), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, consolidated **Loss**, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

1. There is no activity / progress in utilization in respect of the Holding Company’s **Intangible Assets** comprising Capital Work-in-progress (software development) Rs. 56.44 Cr. (note 1(C) of the Financial Statements), software rights Rs. 26.63 Cr. (note 1(B)) and stock-in-trade (source codes) Rs. 62.20 Cr. (note 4) which are being carried forward in the accounts since the last over 3 years.

We are unable to comment on the extent of impairment loss, if any.

2. **Assets of subsidiaries** - Rs. 15.40 Cr.

The Holding company has no subsidiaries in India; the consolidated statements include those of 3 subsidiaries in Mauritius, Hong Kong and Thailand. There have been no operations in these overseas subsidiaries since the last few years, nor is there updated information in respect thereof.

The consolidated financial statements as of 31 March 2019 include the following, pertaining to the 3 subsidiaries:

1. Total assets of Rs.15.40 Cr. which are not material to the Group
2. Total revenue - Nil.
3. Net cash outflows Rs. 48.31 Lacs for the year ended on that date.

The consolidated statements also include the holding company’s share of net loss (and other comprehensive income) of NIL for the year.

No audit of the subsidiaries has been done either by us or by a local audit Firm; such unaudited financial statements and information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosure included in respect of these subsidiaries and our report in terms of subsections 3 and 11 of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such un-audited financial information.

Investment aggregating to Rs. 62 Cr. in these subsidiaries, appear as “Non-current investments” (note 2) in the accounts of the Holding company for the year, at original cost.

The management has not been able to assess impairment loss, if any. There is also uncertainty in the realization of receivables of these subsidiaries, aggregating to Rs. 15.13 Cr.

3. Disputed bank balance in overseas Bank Rs. 35 Cr.

Funds raised by MPS from a GDR issue in FY 2007-08 were kept in an account with Banco Efisa in Lisbon, Portugal to be deployed in terms of the Information Memorandum of the GDR issue.

During FY 2008-09, the Bank debited USD 8,883,210.75 out of the balance in this account; the company has denied and disputed this debit and initiated legal action against the Bank, under criminal jurisprudence of Portuguese Law. Based on information arising during the investigation, MPS has also filed a civil suit against the Bank and its holding company for recovery of the disputed amount along with interest.

Though MPS’ advocates have confirmed that the chances of recovery are very high, yet in our opinion, Bank Balances in the consolidated statements are overstated to the extent of Rs. 35 Cr.

4. Non-payment of fees to Registrar of Companies Rs. 5.37 Cr.

MPS had increased its authorized capital in stages during the period 2010 to 2013, but applicable fees were not deposited with the Registrar of Companies (RoC).

Meanwhile the schedule of fees was increased substantially by the Companies Act, 2013; MPS’s writ petition challenging the revision in fees on the ground that the capital was increased prior to the 2013 Amendment, was dismissed by the Delhi High Court.

MPS has filed Special Leave Petition in the Supreme Court in April 2019.

The amount payable Rs. 5.37 Cr. (calculated as per Companies Act, 1956) appears as “other current liabilities” (notes 9 and 14); provision has been made for the additional fees, which is reflected under the head “Other Expenses – Rates & Taxes”.

5. Default in deposit of Income tax dues – Rs. 20.80 Lacs

MPS had defaulted in deposit of income tax dues aggregating to Rs. 20.80 Lacs for the AY 2013-14; provision appears under the head “Short Term Provisions” (note 12).

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs).

Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

Key Audit Matters

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

In addition to the matters described in the *Basis for Qualified Opinion* section above, we have determined the matters described below to be the key audit matters to be communicated in our report.

1. **Evaluation of uncertain tax positions:** The Holding Company has material uncertain direct and indirect tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Note 21 under the head "Contingent Liabilities" in the Consolidated Financial Statements.

Auditor's Response.

We obtained from the Company's management, details of the status as of 31 March 2019 concerning tax assessments and demands for current as well as past years. We assessed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes to evaluate whether any change was required to management's position on these uncertainties.

2. **Holding Company's business model**

MPS's existing business model has been impacted by uncertainty due to its high dependence on the Telecommunication segment which has shown significant decline due to very tough competition from online operators and other service providers such as Vodafone, Idea, Jio and others who have been providing similar services. This has resulted in losses leading to difficulty in bank financing and increasing dependence on loans from others.

MPS has diversified into export of telecommunication equipments on trial basis; MPS hopes to recover losses and make profit in due course by way of continued exports and better purchase prices on volume-buying.

3. National Stock Exchange, on directions from SEBI, initiated punitive action against MPS as a "Shell company" and placed restrictions on sale of shares by the promoters; vide letter dated 4 May 2019, MPS responded to the observations raised by the forensic auditor appointed by NSE.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's report including the Annexures and the Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

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

The respective Board of Directors of the companies included in the Group are responsible for :

- maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of each company.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an

audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements.

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

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

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

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

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and consideration of financial information of the 3 subsidiaries, as were certified by the Management, and as referred to in para 2 in the *Basis for Qualified Opinion* section above, 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations, as on 31 March 2019, received from the directors of the Holding company incorporated in India and certificate of Non-disqualification of Directors pursuant to section 164 (2) issued by the Secretarial Auditor M/s. Kundan Aggarwal & Associates, both taken on record by the Holding company's Board of Directors, none of the directors are disqualified as on 31 March 2019 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 and the operating effectiveness of such controls, please refer to our separate Report in “**Annexure-1**” which is based on our audit report of the Holding company and the unaudited information given by Management concerning the 3 subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197 (16) of the Act, as amended, according to the information and explanations given to us, no remuneration has been paid by the Company to its directors during the year.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us :
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- ii) There are no long-term contracts including derivative contracts and hence no provision is required to be made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund, by the Holding company; there are no Indian subsidiaries.

For Nemani Garg Agarwal & Co.

Chartered Accountants

Firm Reg. No. 010192N

S.K. Nemani

Partner

Membership no. 037222

Place: New Delhi

Date: 30 May 2019

“Annexure-1”

(Referred to in paragraph 1 (f) under “Report on other Legal and Regulatory requirements” section in our Report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2019, we have audited the internal financial controls over financial reporting of the Holding company, MPS Infotecnics Limited ; we have relied on the unaudited information given by Management with respect to the 3 overseas subsidiary companies which form part of the consolidated statements covered by this Report.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Holding company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the *Guidance Note on Audit of Internal Financial Controls Over Financial Reporting* (“Guidance Note”) 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 the respective 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company only as the 3 subsidiary companies, are incorporated outside India and have not been audited. We conducted our audit in accordance with the **Guidance Note** and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 internal financial controls system over financial reporting of the Holding company excluding its subsidiary companies which are companies incorporated outside India and have not been audited.

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on Management's certificate concerning the subsidiaries incorporated outside India, the Group has, in all material respects, a reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating reasonably effectively as at 31 March 2019 in accordance with the internal control over financial reporting criteria established by the respective companies 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 Nemani Garg Agarwal & Co.,
Chartered Accountants
Firm Reg. No. 010192N

S.K. Nemani
Partner
Membership no. 037222

Place: New Delhi
Date: 30 May 2019

“Consolidated Balance-Sheet as at March 31, 2019”

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	1(A)	699,044	245,162
Capital Work In Progress		-	-
Investment Property		-	-
Goodwill		616,910,728	616,910,728
Intangible Assets	1(B)	266,301,727	301,959,228
Intangible Assets Under Development	1(C)	564,439,755	564,439,755
Financial Assets:			
Investments	2	4,423	4,196
Loans		-	-
Other Financial Assets		-	-
Deferred Tax Assets (Net)		-	-
Other Non-Current Assets	3	2,239,780,543	2,236,747,723
TOTAL NON-CURRENT ASSETS		3,688,136,222	3,720,306,794
Current Assets			
Inventories	4	621,971,389	623,171,983
Financial Assets			
Trade Receivables	5	344,977,804	361,478,116
Cash And Cash Equivalents-Owned Fund	6(a)	617,481	687,038
Bank Balances & Loans	6(b)	348,711,449	349,187,590
Other Financial Assets		-	-
Current Tax Assets (Net)		-	-
Other Current Assets	7	35,341,879	38,705,736
TOTAL CURRENT ASSETS		1,351,620,002	1,373,230,463
TOTAL ASSETS		5,039,756,224	5,093,537,257
EQUITY AND LIABILITIES			
Equity Share Capital	8	3,774,436,655	3,774,436,655
Other Equity	9	731,163,952	814,101,602
Total Equity		4,505,600,607	4,588,538,257
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	10	20,789,185	17,119,619
Deferred Tax Liability (Net)		61,708,570	26,870,688
Other Non-Current Liabilities			

TOTAL NON-CURRENT LIABILITIES		82,497,756	43,990,307
CURRENT LIABILITIES			
Financial Liabilities:			
Borrowings	11	206,980,854	205,726,728
Trade Payables		122,478,547	129,924,457
Other Financial Liabilities			
Provisions	12	4,869,229	5,660,879
Other Current Liabilities	13	117,329,232	119,696,627
Current Tax Liability			
TOTAL CURRENT LIABILITIES		451,657,862	461,008,691
TOTAL EQUITY AND LIABILITIES		5,039,756,224	5,093,537,257
Notes On Financial Statements	1-26	-	-
Significant Accounting Policies	27		

As per our Audit Report of even date
For Nemani Garg Agarwal & Co.
Chartered Accountants
FRN No.: 010192N

For and on behalf of the Board of Directors

S.K. Nemani
Partner
M. No. : 03722

Peeyush Kumar Aggarwal
Managing Director
DIN: 00090423

Rachit Garg
Director
DIN: 07574194

Place: New Delhi
Date: 30/05/2019

Prachi Sharma
Company Secretary

Sanjay Sharma
Chief Financial Officer

“Consolidated Statement of Profit And Loss for the Year Ended March 31, 2019”

PARTICULARS	NOTE NO.	YEAR ENDED	YEAR ENDED
		31.03.2019	31.03.2018
Revenue			
Revenue From Operations	14	170,039,069	777,673,050
Other Income	15	1,249,176	68,586,691
Total Revenue		171,288,245	846,259,741
Expenditure			
Purchase Of Stock -In -Trade & Services		166,791,432	769,318,758
Change In Inventories	16	1,200,595	(862,095)
Employee Benefit Expenses	17	5,564,195	15,160,548
Finance Cost	18	5,999,442	32,116,623
Depreciation & Amortisation Expenses		35,213,617	16,253,010
Other Expenses	19	9,995,467	14,329,233
Total Expenditure		224,764,748	846,316,077
Profit Before Tax		(53,476,503)	(56,336)
Tax Expenses			
- Current Tax		-	36,028,651
- Earlier Years (Net)		-	-
- Deferred Tax (Net)		(34,837,882)	(10,898,270)
Profit After Tax		(88,314,385)	25,074,045
Other Comprehensive Income			
Items That Will Not Be Reclassified Subsequently To Profit & Loss			
- Remeasurements Of The Defined Benefit Liability/Asset		1,091,286	368,691
- Gain Or Loss Arising On Fair Valuation Of Equity Instrument		-	-
Total Other Comprehensive Income (Net Of Tax)		1,091,286	368,691
Total Comprehensive Income For The Year		(87,223,099)	25,442,736

Earnings Per Share (Equity Share Of Rs 10/- Each) - Basic & Diluted		(0.023)	0.007
Weighted Average Number Of Equity Shares Used In Computing Earnings Per Share		3,774,436,655	3,774,436,655
Notes On Financial Statements Significant Accounting Policies	1-26 27	-	-

**As per our Audit Report of even date
For Nemani Garg Agarwal & Co.**
Chartered Accountants
FRN No.: 010192N

For and on behalf of the Board of Directors

S.K. Nemani
Partner
M. No. : 03722

Peeyush Kumar Aggarwal
Managing Director
DIN: 00090423

Rachit Garg
Director
DIN: 07574194

**Place: Delhi
Date: 30/05/2019**

Prachi Sharma
Company Secretary

Sanjay Sharma
Chief Financial Officer

“Standalone Statement of Cash Flow as at March 31, 2019”

	Particulars	As At March 31, 2019	As At March 31, 2018
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax	(53,476,503)	(56,336)
	Adjustment for :		
	Depreciation & Amortisation	35,213,617	16,253,010
	Leave Encashment	81,480	(187,485)
	Gratuity	(903,011)	(7,890)
	Comprehensive Income	1,091,286	413,690
	Interest & Other Costs	5,999,442	32,116,623
	Interest Received	(1,197,302)	(298,924)
	(Profit) / Loss on sale of Fixed Assets	(46,000)	(68,062,392)
	Operating Profit Before Working Capital Changes	(13,236,990)	(19,829,704)
	(Increase)/Decrease in Current Assets	21,064,763	158,383,806
	Increase/(Decrease) in Current Liabilities	(8,529,298)	(191,850,426)
	Net Cash from Operating Activities (A)	(701,525)	(53,296,325)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(9,999)	(261,587,999)
	Sale of Fixed Assets	46,000	71,100,000
	Change in Capital WIP	-	261,575,000
	(Increase)/Decrease in Investment	(227)	(486)
	Interest Received	1,197,302	298,924
	Long term Loans & Advances	(3,032,820)	10,394,498
	Net Cash Outflow in Investing Activities (B)	(1,799,745)	81,779,937
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Issue of Equity Shares	-	-
	Share Application Money Received	-	-
	Increase / (Decrease) in Long Term Borrowings	3,669,566	1,798,619
	Prior Period Item	-	-
	Interest Paid	(5,999,442)	(32,116,623)
	Net Cash inflow from Financing Activities (C)	(2,329,876)	(30,318,004)
	Foreign Currency Translation Reserve	4,285,447	196,872
	Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(4,831,145)	(1,834,375)
	Cash and Cash Equivalent as at 01/04/2017	349,874,628	351,512,131
	Cash and Cash Equivalent as at 31/03/2018	349,328,930	349,874,628

Notes:

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

As per our Audit Report of even date**For RMA & Associates****Chartered Accountants****FRN No. : 000978N/N500062****For and on behalf of the Board of Directors****S.K. Nemani****Partner****M.No. : 037222****Place : New Delhi****Date : 30/05/2019****Peeyush Kumar Aggarwal****Managing Director****DIN: 00090423****Rachit Garg****Director****DIN: 07574194****Prachi Sharma****Company Secretary****Sanjay Sharma****Chief Financial
Officer**

Notes to the consolidated financial statements

for the year ended March 31, 2019

Note 1 - Fixed Assets

Description	RATE	Gross Block				Depreciation / Amortization				Net Block		
		As At 01.04.2018	Additions / Adjustments	Deductions / Adjustments	As At 31.03.2019	As At 01.04.2018	For the Period	Adjustments	Deductio	As At 31.03.2019	As At 31.03.2018	
A. PROPERTY PLANT & MACHINERY :												
Building	1.63%	-	-	-	-	-	-	-	-	-	-	
Plant & Machinery - Computers and Peripherals	16.21%	34,326,883	-	-	34,326,883	34,289,235	66,114	187,768	-	34,167,581	159,302	37,648
-Office Equipments	4.75%	14,319,414	9,999	-	14,329,413	14,251,878	106,720	175,284	-	14,183,314	146,099	67,536
Vehicles	9.50%	5,206,584	-	826,691	4,379,893	5,079,047	12,167	-	826,691	4,264,523	115,370	127,537
Furniture & Fixtures	6.33%	15,539,164	-	-	15,539,164	15,526,722	27,284	293,115	-	15,260,891	278,273	12,442
Sub Total (A)		69,392,045	9,999	826,691	68,575,353	69,146,883	212,285	656,167	826,691	67,876,310	699,044	245,162
B. INTANGIBLE ASSETS :												
Goodwill	10.00%	2,800,000	-	-	2,800,000	2,800,000	-	-	-	2,800,000	-	-
Software	10.00%	356,575,000	-	-	356,575,000	54,615,773	35,657,500	-	-	90,273,273	266,301,727	301,959,228
Sub Total (B)		359,375,000	-	-	359,375,000	57,415,773	35,657,500	-	-	93,073,273	266,301,727	301,959,228
Total (A+B)		428,767,045	9,999	826,691	427,950,353	126,562,656	35,869,784	656,167	826,691	160,949,583	267,000,771	302,204,390
C. CAPITAL WORK IN PROGRESS												
Capital Work-in-Progress (including Advances on Capital Account)		564,439,755	-	-	564,439,755	-	-	-	-	-	564,439,755	564,439,755
Grand Total A+B+C		993,206,800	9,999	826,691	992,390,108	126,562,656	35,869,784	656,167	826,691	160,949,583	831,440,526	866,644,145

Note No	Particulars	31/03/2019	31/03/2018
2	NON-CURRENT INVESTMENTS		
	In Equity Shares of Subsidiaries Companies		
	Axis Convergence Inc -20000 Equity Share (20000 E.S.)	-	-
	Greenwire Network Ltd.-25641 Equity Share (25641 E.S.)	-	-
	Opentec Thai Network Specialists Co. Limited-129995 Equity Shares (129995 E.S.)	-	-
	Others		
	Investment By Subsidiaries Cos.	4,423	4,196
	Total	4,423	4,196

Note No	Particulars	31/03/2019	31/03/2018
3	OTHER NON CURRNET ASSETS		
	a. LONG-TERM LOANS & ADVANCES		
	Advances with Tax Authorities	13,249,408	14,726,488
	Other Loans and Advances	2,226,499,747	2,221,989,847
	Total (a)	2,239,749,155	2,236,716,335

	b. OTHER NON CURRENT ASSETS	-	
	Deferred cost on staff advance	-	-
	Prepaid Rent on Security Deposit	31,388	31,388
	Security Deposits	-	-
	Security Deposit Amortization Adjustment	-	-
	Total (a)	31,388	31,388
	Total (a) + (b)	2,239,780,543	2,236,747,723

Notes :

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

Note No	Particulars	31/03/2019	31/03/2018
4	INVENTORIES		
	Stock-in-Trade	621,971,389	623,171,983
	Total	621,971,389	623,171,983

Note No	Particulars	31/03/2019	31/03/2018
5	TRADE RECEIVABLES		
	(Unsecured & Considered Good)		
	Over Six Months	343,629,395	302,251,231
	Others	1,348,409	59,226,885
	Total	344,977,804	361,478,116

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

Note No	Particulars	31/03/2019	31/03/2018
6 (a)	CASH BALANCES		
	Cash in hand	617,481	687,038
	Total (a)	617,481	687,038
6 (b)	BANK BALANCES		
	Balances with Banks	384,286	860,427
	Fixed Deposits with Banks	435,000	435,000
	Balances with Foreign Bank - Banco Efisa	347,892,163	347,892,163
	Total (b)	348,711,449	349,187,590

	Total (a) (b)	349,328,930	349,874,628

Note:

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

Note No	Particulars	31/03/2019	31/03/2018
7	OTHER CURRENT ASSETS		
	SHORT TERM LOANS & ADVANCES		
	Advances to Staff	-	104,000
	Staff Loan Amortization Adj.	-	-
	Advance to Suppliers	29,669,628	33,140,282
	Advance with Tax Authorities	568,585	312,752
	Total (a)	30,238,213	33,557,034
	OTHER CURRENT ASSETS		
	Security Deposits	501,334	501,334
	Security Deposit Amortization Adjustment	(31,388)	(31,388)
	Prepaid Expenses	4,223,545	4,303,749
	Interest accrued but not due	410,175	375,007
	Total (b)	5,103,666	5,148,702
	Other Current Assets		
	Total (a) + (b)	35,341,879	38,705,736

Notes:

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

8	SHARE CAPITAL	31/03/2019	31/03/2018
	Equity Share Capital		
	Authorised Share Capital :	3,775,000,000	3,775,000,000
	3,775,000,000 Equity Share of Re.1/- each		
	(Previous Year 3,775,000,000 equity share of Re. 1/- each)		
(Issued, Subscribed & Paid Up Share Capital :	3,774,436,655	3,774,436,655
	(377,44,36,655 Equity Shares of Re. 1/- each Includes 102,404,764 Equity Shares Consequent to issue of 46,54,762 GDR vide information Memorandum Dated December 4 , 2007)		
	Total	3,774,436,655	3,774,436,655

Notes:

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

2. In the event of liquidation of the Company, holders of equity shares will be entitled to receive their share of the remaining assets of the Company after discharging the liabilities of the Company.

3. The Company had increased the authorized capital during the Financial Year 2010-11 to 2012-13. However due to technical issues, necessary forms along with fees w.r.t. increase in Authorized Capital, could not be filed and paid. Meanwhile the Companies Act, 1956 was replaced by Companies Act, 2013 & consequently schedule X of Companies Act, 1956, was replaced by Companies (Registration Offices and Fees) Rules, 2014, resultantly the fees which was payable under the Companies Act, 1956 increased drastically pursuant to the Companies (Registrar Offices and Fees) Rule, 2014. Since the Authorized Capital of the Company was increased prior to Companies Act, 2013, on the advice of company law experts, the Company preferred a writ petition before the Hon'ble Delhi High Court challenging the applicability of provisions prescribed under Para 3 of Table B of the Companies (Registrar Offices & Fees) Rules, 2014. The writ petition which was registered as WP(C) No. 5199 / 2015, was dismissed by the Hon'ble Delhi High Court. The orders passed by the Hon'ble Delh High court, has been challenge before the Hon'ble Supreme Court and the same is pending.

The Details of Shareholders holding more than 5 % shares :				
Name of the Shareholder	31st March, 2019		31st March, 2018	
	No. of Shares	% held	No. of Shares	% held
Mr. Peeyush Aggarwal	786,750,193	20.844 %	786,750,193	20.844 %
Omkam Capital Markets Pvt. Ltd.	341,000,000	9.034%	341,000,000	9.034 %
Omkam Global Capital Pvt. Ltd.	-	0.000%	138,562,036	3.671 %
Omkam Securities Markets Pvt. Ltd.	-	0.000%	92,000,000	2.437 %
Ms. Seema Aggarwal	-	-		

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

Particulars	31st March, 2019	31st March, 2018
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	3,774,436,655	3,774,436,655
Add: Shares issued on conversion of convertible warrants	-	-
Add: Shares issued as Bonus Shares (1:10)	-	-
Equity Shares at the end of the year	3,774,436,655	3,774,436,655

Note No	Particulars	31/03/2019	31/03/2018
9	Other Equity		
	a. Reserves & Surplus		
	Capital Reserve	51,457,116	51,457,116
	Securities Premium Reserve	899,102,506	899,102,506
	General Reserve	54,570,009	54,570,009
	Foreign Currency Translation Reserve	41,328,525	37,043,078
	(Less):-		
	Deficit in earlier year	(228,439,798)	(253,513,843)
	Deficit during the year	(88,314,385)	25,074,045
		729,703,975	813,732,911
	b. Other Comprehensive Income		
	Items that will not be subsequently reclassified to OCI		
	Remeasurements of Defined Benefit Liability	1,459,977	368,691
	Total (a+b)	731,163,952	814,101,602

Note No	Particulars	31/03/2019	31/03/2018
10	LONG TERM BORROWINGS		
	Secured		
	Loans from Other Banks & Institution	20,789,185	17,119,619
	Total	20,789,185	17,119,619

Note No	Particulars	31/03/2019	31/03/2018
11	SHORT TERM BORROWING		
	Secured		
	Working Capital Loan from Allahabad Bank	27,599,876	26,600,000
	Unsecured		
	Others	179,380,978	179,126,728
	Total	206,980,854	205,726,728

Notes :

1 Working Capital Loans from Allahabad Bank and Loans from Phoenix ARC Pvt. Ltd. are secured by way of charge on movable and immovable properties.

(i) Company had entered into an OTS for a sum of Rs. 118,650,000.00 with Allahabad Bank as on 14.01.2016 and paid a sum of Rs. 102,740,318/- till 31.05.2017 and further entered into an OTS of Rs. 266.00 Lacs and paid Rs. 13.30 lacs. The balance amount alongwith interest, as on 31.03.19 is overdue.

(ii) Other Unsecured loans include a sum of Rs. 174,015,043 from directors.

Note No	Particulars	31/03/2019	31/03/2018
12	SHORT TERM PROVISIONS		
	Provision for Income Tax	2,080,074	2,080,074
	Provisions for Employees Benefits - Leave Encashment	1,510,016	1,428,536
	Provisions for Employees Benefits - Gratuity	778,339	1,681,350
	Provisions for Expenses	500,800	470,919
	Total	4,869,229	5,660,879

Note:- Income tax liability amounting to Rs. 20.80 Lacs in respect of assessment year 2013-14, still payable against which provision for income tax, has already been made in the books of account. As such this liability has no further impact on the profits / retained earnings of the reported period of the company.

Note No	Particulars	31/03/2019	31/03/2018
13	OTHER CURRENT LIABILITIES		
	Interest Payable	-	-
	Advance from customers	14,763,036	58,396,799
	Other Payables	102,566,196	61,299,828
	Total	117,329,232	119,696,627

Note :- Other payable includes Rs. 5.37 Crores towards ROC fees in connection with increase in Authorised share capital from Rs. 52.45 Crores to Rs. 377.50 Crores in various EGMs held and Merger through Court orders during the Period from FY 2010-11 to FY 2012-13. Kindly refer Note No. 8 (3) under the head "Share Capital".

Note: Trade Payables are subject to balance confirmation.

Note No	Particulars	31/03/2019	31/03/2018
14	REVENUE FROM OPERATIONS		
	Sale of Products & Services	170,039,069	777,673,050
	Total	170,039,069	777,673,050

Note No	Particulars	31/03/2019	31/03/2018
15	OTHER INCOME		
	Miscellaneous Income	5,874	225,375
	Profit on sale of Fixed Assets	46,000	68,062,392
	Prepaid Income on Security Deposit	-	-
	Interest income	1,197,302	298,924
	Total	1,249,176	68,586,691

Note No	Particulars	31/03/2019	31/03/2018
16	CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
	Opening Stock	623,171,984	622,309,889
	Less: Closing Stock	621,971,389	623,171,984
	Total	1,200,595	(862,095)

Note No	Particulars	31/03/2019	31/03/2018
17	EMPLOYEE'S BENEFIT EXPENSES		
	Salaries and Wages	5,328,542	14,245,494
	Contribution to Provident and Other Funds	171,148	502,397
	Staff Welfare Expenses	64,505	412,657
	Total	5,564,195	15,160,548

Note No	Particulars	31/03/2019	31/03/2018
18	FINANCE COST		
	Interest Expenses	5,999,442	32,116,623
	Total	5,999,442	32,116,623

Note No	Particulars	31/03/2019	31/03/2018
19	OTHER EXPENSES		
	Advertisement and Publicity	142,560	106,721
	AGM / Board Meeting Expenses	10,256	8,040
	Audit Fees	150,000	169,482
	Bank Charges	95,439	185,814
	Business Promotion Expenses	-	114,330
	Commission	-	644,068
	Communication Expenses	59,701	485,890
	Conveyance Expenses	25,164	494,406

Exchange Rate Fluctuation	34,406	36,423
Insurance Premium	-	45,238
Legal & Professional Charges	494,046	1,006,181
Listing Fees	1,407,133	1,502,736
Power, Fuel & Water Charges	153,847	798,437
Printing & Stationery	34,694	119,054
Rates & Taxes	5,058,415	5,295,635
Rent Charges	2,223,336	2,223,336
Repair & Maintenance Charges	48,577	369,812
Security Service Charges	-	249,000
Subscription & Membership Fees	-	42
Short & Excess	-	5,005
Server Rentals	-	205,010
Travelling & Tour Expenses -Others	18,402	74,658
Vehicle Running & Maintenance	39,490	189,914
Prepaid Expense on Security Deposit	31,388	31,388
Total	9,995,467	14,329,233

Note 20 - Disclosure Under Accounting Standard 11- Transactions occurred in Foreign Currency

Particulars	(Amount in Rs.)	
	As at 31st March, 2019	As at 31st March, 2018
Import/Export in Foreign Currency		
FOB Value of Export	172,958	73,796
Value of Imports	1,837,890	1,655,730
Expenditure in Foreign Currency	-	-
Profit and (Loss) Foreign Exchange Fluctuation		
Net Profit / (Loss) in Foreign Exchange Fluctuation	(34,406)	(36,423)

Note 21 - Disclosure under Accounting Standard 29 - Contingent Liabilities

A. Dues of Income Tax

a) A.Y. 2006-07 Rs. Nil (Rs. 1,245,589/-),

c) A.Y. 2008-09 Rs. 46,550,998/- (Nil)

d) A.Y. 2009-10 Rs. 22,756,825/- (Nil)

e) A.Y. 2010-11 Nil (Rs. 27,306,810/-)

f) A.Y. 2011-12 Nil (Rs. 445,798,390/-),

B. Interest on Cash Credit (NPA as per Bank) of Rs. 14,502,084/- (Rs. 13,023,422/-), which is under settlement with Bank.

C. ROC fees for increase in authorized share capital Rs. 39,122,905/- (Rs.35,222,305/-).

D. Bank Guarantee Rs. 200,000.00 issued to Unique Identification Authority of India. (Rs. 200,000)

E. Service Tax demand Rs. 3,553,123/- against this Rs. 1,000,000/- paid. (Rs. 2,553,123/-)

Note 22 - Payment to auditors		(Amount in Rs.)	
Particulars	As at 31st March, 2019	As at 31st March, 2018	
Audit Fee for			
-Statutory Audit	150,000	150,000	
The Audit Fee remain same for the current year, however the difference is on account of input tax credit GST available.			

Note 23 - Disclosure under Accounting Standard 17 - Segment Reporting				
Particulars for the year ended 31st March, 2019	Business Segments			Total
	IT Solutions & Products	IT Enabled Services	Telecommunicati on	
Revenue	1,151,912 19,654,818	5,005,572 5,013,686	163,881,586 753,004,546	170,039,069 777,673,050
Inter-Segment Revenue	-	-	-	-
Total	1,151,912 19,654,818	5,005,572 5,013,686	163,881,586 753,004,546	170,039,069 777,673,050
Segment Result	(435,673) (324,028)	(2,626,568) 412,907	(8,872,026) (18,679,779)	(11,934,267) (18,590,899)
Interest				5,999,442 (32,116,623)
				(17,933,709) (50,707,520)
Un-allocable Expenses (net)				36,791,968 (17,935,507)
Operating Income				(54,725,679) (68,643,029)
Other Income (net)				1,249,176 (68,586,691)
Extra ordinary & prior period items	-			

Profit before tax	(53,476,503)
	(56,336)
Tax Expenses	34,837,882
	(25,130,382)
Net Profit for the year	(88,314,385)
	(25,074,046)

Note:

1. Primary Segmentation has been done according to the nature of product & services. The Company's Operations predominantly relate to the following segments:

- a) IT Solution & Products (including software)
- b) IT Enabled Services
- c) Telecommunication

2. There is no Inter division or Inter Segment transfer of goods.

3. Since Fixed Assets used in the company's business cannot be specifically identified with any of the reportable segment, as these are used inter changeably among segments, therefore segment wise disclosure on capital employed has not been furnished.

4. The Company caters mainly to the Domestic market and the Export turnover is not significant in the context of the total turnover. As such there are no geographical segments

Note 24 - RELATED PARTY DISLOSURES		
Description of Relationship	Names of Related Parties	Outstanding Balance As At 31st March, 2019
Ultimate Holding Company	No	
Holding Company	No	
Subsidiary Companies	Axis Convergence Inc Greenwire Network Limited Opentec Thai Network Specialists Limited	
Fellow Subsidiary Company	No	

Key Management Personnel (KMP)	Mr, Peeyush Kumar Aggarwal (Chairman & M.D.)	(174,015,043)
	Ms. Garima Singh (Company Secretary)	-
	Mr. Sanjay Sharma (CFO)	-
Relatives of KMP	None	-
Entities in which KMP/ Relatives of KMP can exercise significant influence	Omkam Global Capital Private Limited	(39,564,853)

Note:

1. Related Parties transactions during the year, have been identified by the management

Particulars	Mr. Peeyush Kumar Aggarwal	Omkam Global Capital Private Limited	Ms. Garima Singh	Mr. Sanjay Sharma
Sale, Purchase or supply of any Goods or material	-	-	-	-
Selling or otherwise disposing of, or buying property of any kind	-	-	-	-
Leasing of property of any kind	-	-	-	-
Availing or rendering of any services	-	-	-	-
<ul style="list-style-type: none"> • Remuneration to Directors & KMPs • Unsecured Loans from Directors • Other Payables 	(17,40,15,043)	(3,95,64,853/-)	1,51,174/-	7,82,500/-
Appointment of any agent for purchase or sale of goods, material, services or property	-	-	-	-
Appointment of related party to any office or place of profit in the company, subsidiary or Associate Company	-	-	-	-
Underwriting the subscription of any securities or derivatives thereof of the Company	-	-	-	-

Note 25 - EARNINGS PER SHARE (EPS)		
Particulars	As at 31ST March 2019	As at 31 March 2018
Basic		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(88,314,385)	25,074,045
Weighted Average number of equity shares used as denominator for calculating EPS	3,774,436,655	3,774,436,655
Basic Earnings per share	(0.023)	0.007
Face Value per equity share	1	1
Diluted		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(88,314,385)	25,074,045
Weighted Average number of equity shares used as denominator for calculating EPS	3,774,436,655	3,774,436,655
Basic Earnings per share	(0.023)	0.007
Face Value per equity share	1	1

Note 26 - DEFERRED TAX		
Particulars	As at 31st March, 2019	As at 31st March, 2018
WDV As per Companies' Books	267,000,771	302,204,390
Depreciation as per Income Tax Act, 1961	130,720,559	215,202,254
Timing Difference B/w Depreciation as per Companies Act and Income Tax Act	136,280,212	87,002,136
Provision for Employee Benefit	2,288,355	3,109,886
Total	(133,991,857)	(83,892,250)
Closing DTA transferred to Profit & Loss account	(34,837,882)	(10,898,270)
Opening DTL	(26,870,689)	(15,972,419)
Deferred Tax Liability / (Assets) (Net)	(61,708,570)	(26,870,689)

Note No. 27 - SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENT

Statement of Compliance with Ind AS

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2016 with restatement of previous year figures presented in this financial statements. Accordingly, the Consolidated Financial Statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with

Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with Ind AS-101 First time adoption of Indian Accounting Standards.

The transition was carried out from Generally Accepted Accounting Principles in India which comprised of applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), relevant applicable provisions of the Companies Act, 1956, and the Companies Act, 2013 to the extent applicable and the applicable guidelines issued by the Securities and Exchange Board of India (SEBI) (“Previous GAAP”).

These Consolidated Financial Statements for the year ended 31st March, 2019 are the second Consolidated Financial Statements of the Company prepared in accordance with Ind AS. The date of transition to Ind AS was 1st April, 2016.

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the Consolidated Financial Statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

A. Basis of Accounting & Preparation of Consolidated Financial Statements

These Consolidated Financial Statements are prepared on the accrual basis of accounting, under the historical cost convention except for the following:

- i) Certain financial assets and financial liabilities measured at fair value;

There is no change in the system of accounting as being consistently followed from earlier years unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time between procurement of raw material and realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

Principles of Consolidation

The consolidated financial statements relate to MPS Infotecnics Limited (‘the Holding Company’) and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- a). The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - “Consolidated Financial Statements”.
- b). The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.

- c). The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.
- d). Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- e). Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

B. Use of Estimates

The preparation of Consolidated Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the Consolidated Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

C. Property, plant and equipment (PPE) and Capital work-in-progress (CWIP) Transition to Ind AS

The Company had elected to continue with carrying value of all Property, plant and equipment and Capital work-in-progress (CWIP) under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2016.

Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation and impairment) adjusted by revaluation of certain assets.

The Property, plant and equipment (PPE) and Capital work-in-progress (CWIP) are stated at cost net of cenvat credit and/or at revalued price less accumulated depreciation and Accumulated Impairment.

Useful life of assets are considered on the basis of schedule-II of Companies Act 2013.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

D. Leased Assets

Operating Leases: Rentals are expensed with reference to lease terms and other considerations.

E. Intangible Assets

Transition to Ind AS:

The Company has elected to continue with carrying value of computer software under the previous GAAP, as deemed cost as at the transition date i.e. 1st April, 2016. Under the previous GAAP, computer software was stated at their original cost (net of accumulated amortization and accumulated impairment, if any).

Intangible assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any

. Depreciation and Amortization

Depreciation on fixed assets is provided to the extent of depreciable amount on straight line method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life. Intangible Assets are amortized over a period of 10 years considering the useful life of the underlying assets on Straight Line Basis.

F. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

G. Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference
- (c) Non-monetary foreign currency items are carried at cost.
- (d) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

I. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the Consolidated Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided by the management after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial instruments

Financial assets and financial liabilities are recognized in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- 1) At amortized cost,
- 2) At fair value through other comprehensive income (FVTOCI), and
- 3) At fair value through profit or loss (FVTPL).

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- 1) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- 2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value except in case of investment in subsidiary carried at deemed cost and associate carried at cost.

Deemed cost is the carrying amount under the previous GAAP as at the transition date i.e. 1st April, 2016. Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present in OCI subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. When the fair value has been determined based on level 3 inputs, the difference between the fair value at initial recognition and the transaction price is deferred and after initial recognition deferred difference is recognized as gain or loss to the extent it arises from change in input to valuation technique. If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI.

There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

J. Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, charges in bringing them to their respective present location and condition.

K. Revenue Recognition

Revenue from Fixed Price Software Contracts is recognized principally on the basis of completed Milestones as specified in the contracts.

Software Development and Services are recognized on time basis as per terms of specified contracts

Sale of Software / Hardware products is recognized on the dispatch of goods from company's premises. No provision has been made for possible returns or expenses during the warranty period.

Income from Annual Maintenance Contracts, Web Hosting and Domain Registration are accounted for in the ratio of period expired to the total period of the contract and the amount received from the customers towards the un-expired portion of such contract is treated as advance received.

Interest Income is recognized on time proportion basis.

L. Employee Benefits

(a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.

(b) Post-employment benefits:*Defined contribution plans:*

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards provident fund. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which employee renders the related service.

Defined benefit plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized in the other comprehensive income

Long term employment benefits

The Company's net obligation in respect of long-term employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

M. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

N. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit.

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

Deferred tax assets are recognized for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. 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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognized on all taxable temporary differences.

O. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

P. Estimated fair value of unlisted securities

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques including the net assets value (NAV) model. The Group uses its judgment to select a variety of method / methods and make assumptions that are mainly based on market conditions existing at the end of each financial year. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- Q.** The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation

Form No. MGT-11

Proxy form

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

Name of the member:

Registered Address:

Registered E-Mail Address:

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/her

2. 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 30th Annual General Meeting of members of the Company, to be held on Monday, September 30th, 2019 at 10.00 a.m. at the 703, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	RESOLUTIONS	Vote (Optional, see Note 2) (Please mention no. of shares)	
		For	Against
A.	ORDINARY BUSINESS		
1.	Approval of Financial Statements		
2.	Re-appointment of Mr. Rachit Garg, who is liable to retire by rotation		
B.	SPECIAL BUSINESS		

