



M M REDDY & CO.,

Chartered Accountants

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Independent Auditors' Report on Financial Statements

To
The Members of **Infronics Systems Limited.**
Hyderabad.

Report on the financial Statements

We have audited the accompanying financial Statements of M/s. Infronics Systems Limited which comprise the Balance Sheet as at 31st March 2015, the statement of Profit & Loss for the year ended and a summary of the significant accounting policies and other explanatory information.

Managements Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

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

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

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



the financial statements are free from material misstatement.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us the said accounts read with other notes to accounts and accounting policies give the information required by the Companies Act 2013, in the manner so required and give a true and fair view:-

i) In the case of Balance Sheet of the state of the affairs of the Company as at 31st March 2015 and

ii) In the case of Profit & Loss Account of the Loss of the Company for the year ended on that date.

iii) In the Cash Flow statement of the Cash Flow for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters to the financial statements:.

- a) The financial statements indicate that the Company has accumulated losses of Rs.1573.84 Lakhs and its net worth has been substantially eroded on account of a net loss of Rs. 1608.52 Lakhs during the year ended. Cash Credit and Term Loan accounts of the company have become Non Performing Assets in bank which describes the position of the company in the fundamental accounting assumption "Going concern". However, the financial statements of the Company have been prepared on a going concern.
- b) Pursuant to the Schedule II of Companies Act, 2013 effective from 1st April, 2014, the company has charged depreciation on the remaining useful life of the fixed assets w.e.f April 1, 2014. An amount of Rs.466.62 Lakhs representing the carrying amount of the assets with revised use full life as nil has been adjusted against the opening balance of retained earnings.
- c) Other expenditure includes an amount of Rs.361.28 lakhs being stock and work in progress assessed as obsolete on account of change in technology.
- d) Exceptional item denotes Loss on sale of investments held by the Company.

Our opinion is not modified in respect of these matters.



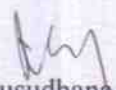
Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion proper books of accounts as required by the law have been kept by the company so far as appears from our examination of these accounts.
- c. The company's Balance Sheet and Statement of Profit & Loss dealt with by the report are in agreement with the books of accounts.
- d. In our opinion the Balance Sheet and Statement of Profit & Loss comply with the accounting standards referred to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

Place: Hyderabad
Date : 30.05.2015

For M M REDDY & CO.,
Chartered Accountants
Firm Registration No.0103718

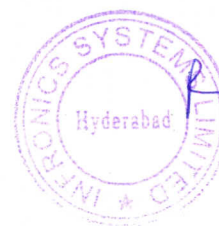

(M Madhusudhana Reddy)
Partner
Membership No.213077



INFRONICS SYSTEMS LIMITED
Plot No.16, SRILA REALTY LAYOUT, NEAR LANDMARK TOWERS, MIYAPUR, HYDERABAD-500049
STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31.03.2015

Rs. in lakhs

Sl.No.	Particulars	Quarter ended			Year ended	
		31.03.15	31.12.14	31.03.14	31.03.15	31.03.14
		Audited	Unaudited	Audited	Audited	Audited
1	Income from operations					
	a. Net sales/ Income from operations	448.65	125.14	377.84	789.10	909.37
	b. Other operating Income	2.69	1.69	16.04	7.76	21.18
	Total	451.34	126.83	393.88	796.86	930.55
2	Expenditure					
	a. Staff cost	4.60	4.76	8.10	26.18	93.13
	b. Other Expenditure	405.89	105.16	316.91	1082.16	509.46
	c. Depreciation	73.51	75.13	88.65	298.10	351.69
	Total expenses	484.00	185.05	413.66	1406.44	954.28
3	Profit from operations before other income, finance costs, and exceptional items (1 - 2)	(32.66)	(58.22)	(19.78)	(609.58)	(23.73)
4	Other income	0.00	0.00	0.00	0.00	0.00
5	Profit from ordinary activities before finance costs, and exceptional items (3 - 4)	(32.66)	(58.22)	(19.78)	(609.58)	(23.73)
6	Finance costs	24.79	47.46	35.70	175.84	150.26
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	(57.45)	(105.68)	(55.48)	(785.42)	(173.99)
8	Exceptional items	909.15	0.00	0.00	909.15	0.00
9	Profit from ordinary activities before tax (7-8)	(966.60)	(105.68)	(55.48)	(1694.57)	(173.99)
10	Tax Expenses	-86.05		(2.90)	(86.05)	(38.53)
11	Net Profit from ordinary activities after tax (9-10)	(880.55)	(105.68)	(52.58)	(1608.52)	(135.46)
12	Extraordinary items	0.00	0.00	0.00	0.00	0.00
13	Net Profit for the Period (11-12)	(880.55)	(105.68)	(52.58)	(1608.52)	(135.46)
14	Share of profit of associates	0.00	0.00	0.00	0.00	0.00
15	Minority interest	0.00	0.00	0.00	0.00	0.00
16	Net profit after taxes, minority interest and share of profit of associates (13-14-15)	(880.55)	(105.68)	(52.58)	(1608.52)	(135.46)
17	Paid-up equity share capital (Face value of Rs.5/- each)	792.65	792.65	792.65	792.65	792.65
18	Reserves excluding revaluation reserves as per balance sheet of the previous accounting year					
19.i	Earnings per share of Rs.5/- each) not annualised					
	(a) Basic and diluted before extraordinary items	(5.55)	(0.67)	(0.33)	(10.15)	(0.85)
	(b) Basic and diluted after extraordinary items	(5.55)	(0.67)	(0.33)	(10.15)	(0.85)

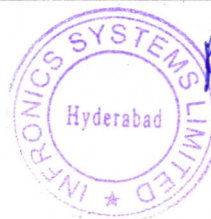

Infronics Systems Limited

Regd. Off: Plot No: 16, Srila Realty Layout, Bachu Pally Road, Miyapur, Hyderabad - 500 049., A.P., India.

Phone: +91-40-31902399 Fax: +91-40-30995261.

PART II						
Select information for the Quarter ended 31/03/2015						
Sl.No.	Particulars	Quarter ended			Year ended	
		31.03.15	31.12.14	31.03.14	31.03.15	31.03.14
		Audited	Unaudited	Unaudited	Audited	Audited
A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
	-no of shares	11711938	11711938	11711938	11711938	11711938
	-percentage of shareholding	73.88	73.88	73.88	73.88	73.88
2	Promoters and Promoter Group Shareholding					
	(a) Pledged / Encumbered					
	-No of shares	1400000	1400000	1400000	1400000	1400000
	-Percentage of shares (as a % of the total Shareholding of Promoters and promoters group Promoter and Promoter Group)	33.81	33.81	33.81	33.81	33.81
	- Percentage of shares (as a % of the total Share Capital of the Company)	8.83	8.83	8.83	8.83	8.83
	(b) Non-Encumbered					
	-No of shares	2740985	2740985	2740985	2740985	2740985
	-Percentage of shares (as a % of the total Shareholding of Promoters and promoters group Promoter and Promoter Group)	66.19	66.19	66.19	66.19	66.19
	- Percentage of shares (as a % of the total Share Capital of the Company)	17.29	17.29	17.29	17.29	17.29

Particulars	3 months ended 31/03/2015
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed off during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil



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AUDITED STATEMENT OF ASSETS & LIABILITIES

		Rs. in lakhs	
	Particulars	As at 31.03.2015	As at 31.03.2014
A	Equity & Liabilities		
1	Shareholders Funds		
	(a) Share Capital	792.65	792.65
	(b) Reserves and Surplus	(555.08)	1520.06
	Sub-total - Shareholders' funds	237.57	2312.71
2	Non-current liabilities		
	(a) Long-term borrowings	116.62	285.99
	(b) Long-term provisions	0.96	2.25
	Sub-total - Non-current liabilities	117.58	288.24
3	Current liabilities		
	(a) Short-term borrowings	491.40	488.93
	(b) Trade payables	458.45	456.23
	(c) Other current liabilities	1053.98	874.39
	Sub-total - Current liabilities	2003.83	1819.55
	TOTAL - EQUITY AND LIABILITIES	2358.98	4420.50
B	ASSETS		
1	Non-current assets		
	(a) Fixed Assets	275.74	1249.12
	(b) Non-current investments	2.09	1069.91
	(c) Deferred tax liabilities (Net)	342.39	47.68
	(d) Long term loans and advances	37.27	37.27
	Sub-total - Non current assets	657.49	2403.98
2	Current assets		
	(a) Inventories	177.67	772.36
	(b) Trade receivables	885.08	608.66
	(c) Cash and cash equivalents	23.69	67.95
	(d) Short-term loans and advances	615.05	567.55
	Sub-total - Current assets	1701.49	2016.52
	TOTAL - ASSETS	2358.98	4420.50

Note :

- The above audited financial results for the year ended 31.03.2015 have been reviewed by the Audit committee and approved by the Board at its meeting held on 30.05.2015
- Pursuant to the Schedule II of Companies Act, 2013 effective from 1st April, 2014, the company has charged depreciation on the remaining useful life of the fixed assets w.e.f April 1, 2014. An amount of Rs.466.62 Lakhs representing the carrying amount of the assets with revised useful life as nil has been adjusted against the opening balance of retained earnings.
- Other expenditure includes an amount of Rs.361.28 lakhs being stock & Work in progress assessed as obsolete on account of change in technology.
- Exceptional item denotes Loss on sale of investments held by the Company.
- The Accounting Standard 17 relating to Segment wise reporting is not applicable to the Company
- The figures of last quarter are the balancing figures between audited figures in respect of full financial year upto 31st March 2015 and the unaudited published year to date figures upto 31st December 2014, being the date of end of the third quarter of the financial year which were subject to limited review.
- Previous period/year figures have been regrouped wherever necessary.

Place: Hyderabad

for INFRONICS SYSTEMS LIMITED

Date: 30/5/2015


M.MADHUSUDAN RAJU
DIRECTOR

Infronics Systems Limited

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