



23RD ANNUAL REPORT 2019-20

SANKHYA INFOTECH LIMITED

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

Tel: + 91- 6265714101

E-mail: comp.officer@sankhya.net

Website: www.sankhya.net



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COMPANY INFORMATION

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

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

COMPANY SECRETARY & COMPLIANCE OFFICER

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

BANKERS

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

STATUTORY AUDITORS

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

REGISTERED OFFICE

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

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

REGISTRAR & TRANSFER AGENTS

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



NOTICE

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

ORDINARY BUSINESS:

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

By Order of the Board
Sankhya Infotech Limited

Sd/-
(Sridhar Krishna)

Chairman & Managing Director
DIN: 00089548

Date: 09.12.2020

Place: Hyderabad

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to cspoojaojha18@gmail.com with a copy marked to evoting@nsdl.co.in (e-voting facilitator).
4. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, einward.ris@kfintech.com for assistance in this regard.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd December, 2020 to 31st December, 2020 (both days inclusive).
6. Members are requested to notify change of address, if any, with pin code to the company or to its Registrar and Share Transfer Agent quoting reference of their folio number and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
7. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing on or before 24.12.2020 to the Secretarial and Investor Relation Department at email id comp.officer@sankhya.net so as to reach the Company at least 7 days in advance before the date of the Annual General Meeting, specifying the point(s).
8. Individual Shareholders can now take the facility of making nomination of their holding. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder and the joint-holder(s), if any. A minor can be nominee provided the name of the guardian is given in the nomination form. Non-individuals including society, trust, body corporate, partnership firm, karta of Hindu undivided family, holder of Power of Attorney cannot nominate. For further details in this regard shareholders may contact M/s. KFin Technologies Private Limited, Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana - 500032, the Registrar and Share Transfer Agent of the Company.
9. Securities and Exchange Board of India (SEBI) has issued a circular clarifying that it shall be mandatory for the transferee(s) to furnish copy of Permanent Account Number (PAN) card to the Company/Registrar and Transfer Agent of the Company for registration of transfer of shares in the physical mode. Members may please take a note of the same.
10. Members who wish to inspect, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 can send an email to comp.officer@sankhya.net
11. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

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

Voting through electronic means (e-voting):

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

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

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

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

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

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

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

Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

- 5 Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.



c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cspoojaojha18@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to comp.officer@sankhya.net.

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

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

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.-

2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

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

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

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990

4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at comp.officer@sankhya.net from 15.12.2020 (9:00 a.m. IST) to 19.12.2020 (5:00 p.m. IST).

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

By Order of the Board

Sankhya Infotech Limited

Sd/-

Date: 09.12.2020

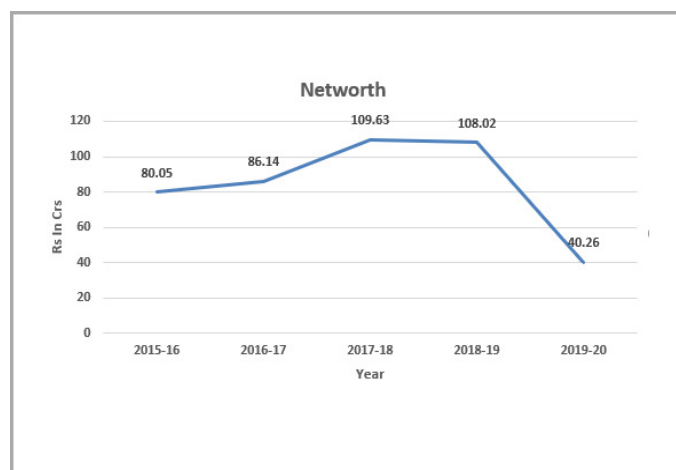
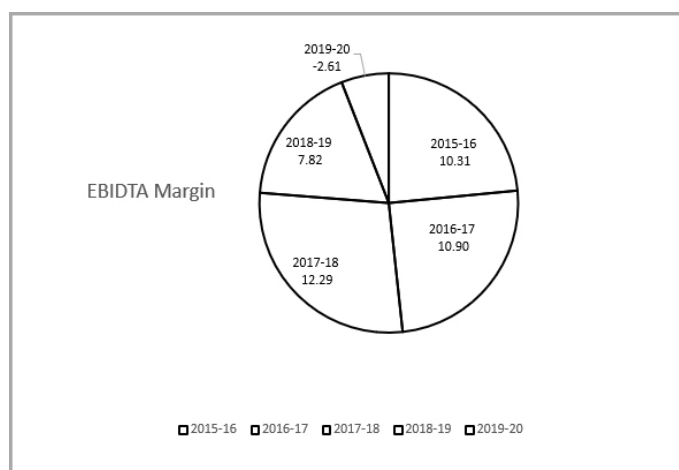
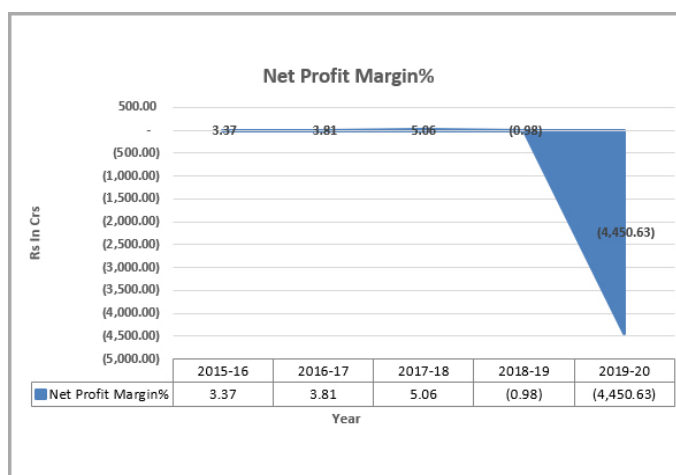
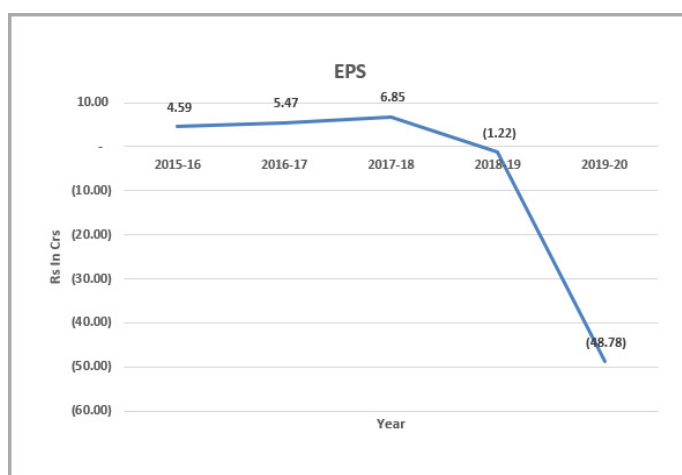
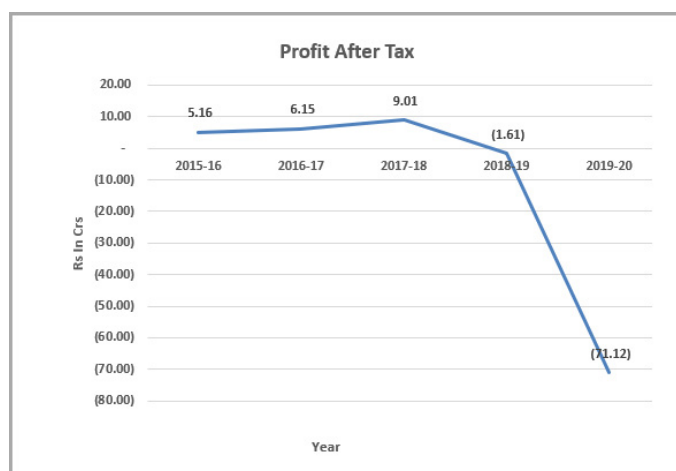
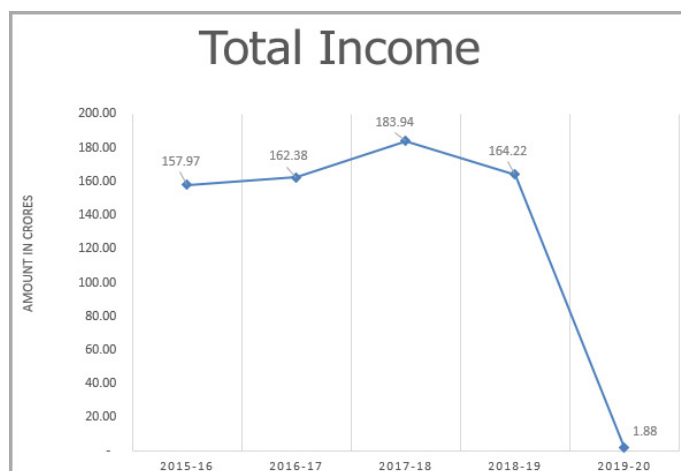
Place: Hyderabad

(Sridhar Krishna)

Chairman & Managing Director

DIN: 00089548

FINANCIAL HIGHLIGHTS



**BOARD'S REPORT**

Dear Members,

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

FINANCIAL HIGHLIGHTS

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

(Rs. In Lakhs)

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

REVIEW OF OPERATIONS

For the Financial year ended 31st March, 2020 as follows:-Financial Performance

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

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

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

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

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

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

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

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

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

There are no Subsidiaries/Branches/Associates/Joint Ventures

DIVIDEND

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

TRANSFER TO RESERVE

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

AUTHORISED SHARE CAPITAL

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

PAID UP SHARE CAPITAL

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

DEPOSITS

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

INTERNAL CONTROLS SYSTEMS AND ADEQUACY

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

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

DETAILS OF DIRECTORS/KEY MANAGERIAL PERSONNEL

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

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

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

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

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

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

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

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

GOVERNANCE GUIDELINES

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

COMMITTEES OF THE BOARD

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

NOMINATION, REMUNERATION AND PERFORMANCE EVALUATION POLICY

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

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

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



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

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

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

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

TRANSACTIONS WITH RELATED PARTIES

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

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

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

BOARD AND COMMITTEE MEETINGS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

CHANGE IN THE NATURE OF BUSINESS

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

DISCLOSURE PERTAINING TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

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