



**HYPERSOFT**  

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**TECHNOLOGIES LIMITED**

**THIRTY FIFTH ANNUAL REPORT  
2017-2018**





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## **HYPERSOFT TECHNOLOGIES LIMITED**

### **BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNAL**

**Mr. F. R. Bhote**

Managing Director

**Mr. Vinay Vir**

Independent Director

**Mrs. Geeta Feroz Bhote**

Director

**Mr. Joydip Lahiri**

Independent Director  
(w.e.f 28th May, 2018)

**Mr. Aashay Harshe**

Independent Director  
(Upto 10th August, 2017)

**Mr. Premanshu Rana**

Independent Director  
(Upto 10th August, 2017)

**Mrs. Nagajyothi Gumpenna**

Company Secretary  
(Upto 18th July, 2018)

### **REGISTERED OFFICE**

28, Goyal Society, Moti Valley  
Tirmulgherry , Secunderabad - 500 015  
Telangana, India  
Phone: 040-27744413  
Email: info@hypersoftindia.com  
Website: www.hypersoftindia.com  
CIN : L29309TG1983PLC003912

### **BRANCH**

#### **Mumbai**

Hypersoft Technologies Limited  
309-B, Commerce House,  
Nagindas Master Road,  
Fort, Mumbai - 400 023.

### **DEPOSITORY REGISTRARS & SHARE TRANSFER AGENTS**

#### **M/s. CIL Securities Limited**

214, Raghava Ratna Towers,  
Chirag Ali Lane, Abids, Hyderabad -500 001  
Tel. # 040-23202465, 23203155  
Fax # (040) 23203028, 66661267  
Email: advisors@cilsecurities.com

### **AUDITORS**

#### **M/s. Grandhy & Co**

Chartered Accountants, Hyderabad

### **BANKERS**

#### **HDFC Bank Limited**

#### **Oriental Bank of Commerce**

### **LISTING**

BSE Limited

The Ahmedabad Stock Exchange Ltd



## NOTICE

Notice is hereby given that the 35<sup>th</sup> Annual General Meeting of the members of **M/s. Hypersoft Technologies Limited (L29309TG1983PLC003912 )** will be held on Friday, **28<sup>th</sup> September, 2018 at 3:00 PM** the Registered office of the Company at 28, Goyal Society, Moti Valley, Tirmulgherry, Secunderabad – 500015, Telangana to transact the following business:

### Ordinary Business:

1. **To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2018 and Profit & Loss Statement for the year ended on 31<sup>st</sup> March, 2018 together with notes and annexures thereto and the Report of Directors' and Auditors' thereon.**

“RESOLVED THAT the Audited Balance Sheet as at 31<sup>st</sup> March, 2018 and the Profit and Loss Statement as on that date, together with notes and annexures thereto and the Report of Directors' and Auditors' of the Company be and are hereby considered, adopted and approved.”

2. **To re-appoint Mrs. Geeta Feroz Bhote, Woman Director who retires by rotation and being eligible, offers herself for re-appointment**

“RESOLVED THAT Mrs. Geeta Feroz Bhote, Woman Director who retires by rotation and being eligible for reappointment be and is hereby re-appointed as a Director of the Company.”

3. **To ratify appointment of M/s. Grandhy & Co, Chartered Accountants as the Statutory Auditors of the Company**

“RESOLVED THAT in pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time and pursuant to the resolution passed by the members at the 34<sup>th</sup> Annual General Meeting (AGM) held on 28<sup>th</sup> September, 2017, the appointment of M/s. Grandhy & Co, Chartered Accountants, bearing Firm Registration Number 0010075 as statutory auditors of the Company to hold office till the conclusion of the next AGM, , be and is hereby ratified and the Board of Directors of the Company be and are hereby authorised to fix their remuneration for the financial year ended 31<sup>st</sup> March, 2019.”

### Special Business:

4. **To regularize Mr. Joydip Lahiri (DIN: 07385700) as Independent Director.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Joydip Lahiri (DIN: 07385700), who was appointed as an additional director of the Company by the Board of Directors with effect from 28<sup>th</sup> May, 2018 and



who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 ('the Act') and Articles of Association of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, appointment of Mr. Joydip Lahiri, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as an Independent Director of the Company for a term of 5 years, with effect from 28<sup>th</sup> May, 2018 up to 27<sup>th</sup> May, 2023 and who is not liable to retire by rotation, be and is hereby approved”.

**For and on behalf of Board of Directors**

**(F. R. Bhote)**

Managing Director

DIN: 00156590

Place: Secunderabad

Date: 10<sup>th</sup> August, 2018



## NOTES FOR MEMBERS' ATTENTION:

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the business under Item No.4 above is annexed hereto. The relevant details of the Directors seeking appointment in pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as required under Secretarial Standards - 2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
3. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE.
4. A route map giving directions to reach the venue of the 35th Annual General Meeting is given at the end of the Notice.
5. The Register of Members and Share Transfer Books of the Company in respect of Equity Shares will remain closed from 24<sup>th</sup> September, 2018 to 28<sup>th</sup> September, 2018 (both the days inclusive).
6. M/s. CIL Securities Ltd, Regd. Office: 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad -500 001, Telangana is the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
7. Members holding shares in the same name under different Ledger Folios are requested to apply for Consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/Company.
8. Electronic copy of the Annual Report for 2017-2018 is being sent to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes, unless any member has requested for a hard copy and the same will be sent by post. All the members are requested to register their email address for future correspondence.
9. Members may also note that the Notice of the 35<sup>th</sup> Annual General Meeting and the Annual Report for 2017-2018 will also be available on the Company's Website **www.hypersoftindia.com** for downloading. The physical copies of the aforesaid Annual Report will also be available at the Company's Registered Office for inspection during





normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor **email id: info@hypersoftindia.com**.

10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days (including the date of the Annual General Meeting of the Company.)
11. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 35th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
12. The Company has appointed Mr. G. Raghu Babu, Practicing Company Secretary, Partner at R&A Associates, Company Secretaries, Hyderabad (Membership No. FCS 4448) as scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- i. Log on to the e-voting website **www.evotingindia.com**
- ii. Click on "Shareholders" tab.
- iii. Now, select the "**HYPERSOFT TECHNOLOGIES LIMITED**" from the drop down menu and click on "SUBMIT"
- iv. 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.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. 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.
- vii. If you are a first time user follow the steps given below:



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

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

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

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

xi. Click on the EVSN for the relevant HYPERSOFT TECHNOLOGIES LIMITED on which you choose to vote.

xii. 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.

xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.



- xiv. 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.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

#### **Commencement of e-voting:**

- The voting period begins on 25<sup>th</sup> September, 2018 from 10.00 am and ends on 27<sup>th</sup> September, 2018 at 5.00 pm. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21<sup>st</sup> September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

### Item No. 4:

Mr. Joydip Lahiri (DIN: 07385700), was appointed as an Additional Director of the Company with effect from 28<sup>th</sup> May, 2018, pursuant to Section 161 of the Act and Articles of Association of the Company. Mr. Joydip Lahiri holds office as Director up to the date of the forthcoming Annual General Meeting ('AGM') and is eligible for appointment as a Director. Notice under Section 160 of the Act has been received indicating his intention to propose Mr. Joydip Lahiri for the office of Director at the forthcoming AGM.

Mr. Joydip Lahiri (DIN: 07385700) has completed B.Sc. (Information Technology) from Sikkim Manipal University and PD3D (Professional Diploma in 3D Animation and Visual Effects) from MAAC (Maya Academy of Advanced Cinematics) he had a rich and varied experience in various fields of business of more than 8 years.

### **Brief information and experience of Mr. Joydip Lahiri as per the provisions of the Act readwith Secretarial Standards issued by Institute of Company Secretaries of India:**

Name	<b>Mr. Joydip Lahiri</b>
Age	34 Years
Qualifications	1. B.Sc. (Information Technology) 2. PD3D (Professional Diploma in 3D Animation and Visual Effects) from MAAC (Maya Academy of Advanced Cinematics).
Experience	More than 8 years
Terms and conditions of re-appointment along with details of remuneration sought to be paid	As disclosed in agenda no. 4 of AGM notice.
Remuneration last drawn	Nil
Date of first appointment on the Board	28 <sup>th</sup> May, 2018
Shareholding in the Company	Nil
Relationship with other Directors/Manager or Key Managerial Personnel	Nil
Number of Board Meetings attended during the Financial year 2017-18	Nil
Other Directorships and Memberships/ Chairmanship of Committees of other Boards	1. Sitka Educations Private Limited

The Directors recommend this resolution for approval of the members. No Director, Key Managerial Personnel [i.e., Managing Director, Company Secretary, CFO and Whole time Director] or their relatives except Mr. Joydip Lahiri is interested in this Resolution.



## Additional Information

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the particulars of Director who seeks re-appointment are given below:

Name of the Director	Date of Appointment	Qualification	DOB	Expertise in specific functional areas	Name of other Companies in which the person holds directorship or membership of committees of the Board	Number of shares held in Hypersoft Technologies Limited
Mrs. Geeta Bhote Feroz	06-02-2015	Master Degree in Computer Science	29-04-1955	-	-	-

Place: Secunderabad  
Date: 10<sup>th</sup> August, 2018

For and on behalf of Board of Directors

**(F.R. Bhote)**  
Managing Director  
DIN: 00156590



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are happy to present the 35<sup>th</sup> Annual Report and the Financial Results for the year ended on 31<sup>st</sup> March, 2018.

### 1. Financial Results:

(Rs. in Lacs)

Particulars	2017-2018	2016-2017
Income from operations	179.82	192.91
Other Income	20.63	19.57
<b>Total Income</b>	<b>200.18</b>	<b>212.48</b>
Total Expenditure excluding depreciation	156.84	206.89
Depreciation	5.87	3.84
<b>Total Expenditure</b>	<b>162.71</b>	<b>210.73</b>
<b>Net Profit / (Loss) before Taxation</b>	<b>37.47</b>	<b>1.75</b>
Provision for Taxation Deferred Tax	(7.45) 6.42	(0.32) (0.67)
<b>Net Profit / (Loss) after Taxation</b>	<b>36.44</b>	<b>0.76</b>

### 2. Management Discussion & Analysis (M D &A):

#### REVIEW OF BUSINESS & OUTLOOK

Your company remains a preferred supplier for several software requirements. Stockbrokers are showing a renewed interest in our software which is of the highest quality. Additionally, ERP system for manufacturing and processing has been the focus of the company.

Your Company has tied up with Tradelab, adding synergy to the product line of Stockroking. With this tie-up, an end-to-end solution for Stockbrokers is now being created – from trading to accounting to backoffice a seamless system is available.

With the African continent showing signs of growth, your company is now focusing on this area.

The mobile market in India is the second largest in the world after China, and Mobile applications developed by your company have shown great acceptance and will continue to be the prime mover. The Global Mobile Applications market is poised to grow at a sustained rate and the number of users of smartphones will soon cross more than half the population of the country. A complete ERP on the Android platform has been developed and will soon be the flagship product of your company.

Absence of skilled manpower and high cost of development and marketing are the major impediments to growth.



### **Opportunities and Threats:**

Most of the mobile app market is tuned to the free app model or apps which cost between Rs. 50 and Rs. 100. In the Commercial market place there are very few apps that are tuned to Business and Industry. A huge opportunity exists in this space.

Absence of skilled manpower, high cost of development, high cost of user acquisition, hyper competition driven by independent and freelance developers and the high cost of marketing are major impediments to growth.

### **Outlook:**

With the evolution of our new mobile products, we expect the market to accept our products more readily and with online advertising, which we have introduced, the response has been up to the mark.

We have made significant investments in the mobile app sphere and expect them to bear fruit within the coming few months.

The projects with UID Authority of India are working as per the expectations of the Company and are expected to be on similar lines as the previous year.

### **Risk and Concerns:**

1. The first major problem developed in recent times subject to added different legal laws and norms.
2. Another major problem the need to develop the optimum mix of employees. A big dilemma is to get the balance correct in terms of recruitment.

### **Internal control systems and their adequacy:**

The Company has a proper and adequate system of internal controls. This ensures that all transactions are authorized, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

### **Discussion on financial performance with respect to operational performance:**

During the year under review, your Company made a Turnover of Rs. 200.18 Lakhs as against Rs. 212.48 Lakhs for the previous year and made a profit of Rs. 36.44 Lakhs as against profit of Rs. 0.76 Lakhs for the previous year. The Company anticipates more profits in the coming years.

### **Material development in Human Resource & Industrial Relations:**

There are no significant developments in human resources and number of people employed. However, all our efforts were made to retain the talent and improve the productivity.

### **3. Change in the nature of business**

There were no changes in the nature of business of the Company during the financial year 2017-18.



#### **4. Deposits**

The Company has not accepted any deposits from the public during the year in pursuant to Section 73 of the Companies Act, 2013.

#### **5. Material Changes and Commitments**

There are no significant material changes and commitments affecting financial position of the company between 31<sup>st</sup> March, 2018 and the date of this report.

#### **6. Number of meetings of the Board**

The Board of Directors met 4(Four) times during this financial year on 27<sup>th</sup> May, 2017, 10<sup>th</sup> August, 2017, 17<sup>th</sup> October, 2017, and 12<sup>th</sup> February, 2018.

#### **7. Extract of Annual Return**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT9 forms a part of this Annual Report (**Annexure-I**).

Members can download the Annual return form the following link

<http://hypersoftindia.com/assets/downloads/hyersoft-annual-return-2017-18.pdf>

#### **8. Policy on directors' appointment and remuneration**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and they demark their functions of governance and management. As on March 31, 2018, the Board consists of 4 (four) members, one of whom is executive, three are non-executive and out of which two are independent directors. The Board periodically evaluates the need for change in its composition and size. 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, adopted by the Board, is appended as **Annexure-II** to the Board's report. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

#### **9. Directors and Key Managerial Personnel**

The following changes took place in the composition of the Board of Directors for the Financial Year 2017-18:

1. Appointment of Mr. Premanshu Rana as Independent Director of the Company w.e.f. 10<sup>th</sup> August, 2017.
2. Resignation of Mr. Aashay Harshe as Independent Director of the Company w.e.f. 10<sup>th</sup> August, 2017.

The following changes took place in the composition of the Board of Directors and Key Managerial Personnel subsequent to the closure of financial year 2017-2018:

- 1) Resignation of Mr. Premanshu Rana as Independent Director of the Company w.e.f. 28<sup>th</sup> May, 2018.
- 2) Appointment of Mr. Joydip Lahiri as Additional Director (Independent) of the Company w.e.f. 28<sup>th</sup> May, 2018.





3) Resignation of Ms. Gumpena Naga Jyothi as a Whole-time Company Secretary of the Company w.e.f. 18<sup>th</sup> July 2018.

#### **10. Declaration given by Independent Directors:**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement), Regulations 2015.

#### **11. Contracts and arrangements with Related Parties under Section 188**

The Company has not entered into any contracts or arrangements with related parties during the financial year. Therefore, Form AOC-2 is not required to be enclosed to this report.

#### **12. Particulars of loans, guarantees or investments under Section 186**

The Company has not made any investments and has not given any loan or guarantee under section 186 of the Companies Act, 2013.

#### **13. Risk Management**

The Company has developed and implemented a risk management framework that includes identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

The following broad categories of risks to the business objectives have been considered in our risk management framework:

- **Strategy:** Risks to the successful execution of the Company's articulated strategies. These originate from the choices we make on markets, business mix, resources and delivery models that can potentially impact our competitive advantage in the medium and long term. Risks related to scalability and sustainability of our business might also have an impact.
- **Industry:** Risks relating to the inherent characteristics of our industry such as competitive structure, emergence of new business models, technological landscape, extent of linkage to economic environment and regulatory structure.
- **Counterparty:** Risks arising from our association with entities for conducting business. The counterparties include clients, vendors, alliance partners and their respective industries. Counter party risks include those relating to litigation and loss of reputation.
- **Resources:** Risks arising from inappropriate sourcing or sub-optimal utilization of key organizational resources such as financial capital, talent and infrastructure.
- **Operations:** Risks inherent to business operations including those relating to client acquisition, service delivery to clients, business support activities, information security, intellectual property physical security, and business activity disruptions. Operational risks are assessed primarily on three dimensions - business process effectiveness, compliance to policies and procedures, and strength of underlying controls.



- **Regulatory environment:** Risks due to adverse developments in the regulatory environment that could potentially impact our business objectives and lead to loss of reputation.
- **Societal:** Risks and opportunities relating to our focus on the environment and society at large. Environmental focus includes conservation of essential resources such as water and energy, disposal of waste, minimizing emissions, etc. Social focus includes projects to impact the communities in the regions where we operate.

#### **14. Subsidiaries, Associate Companies and Joint Ventures**

The Company does not have any subsidiaries, Associate Companies or Joint Ventures.

#### **15. Annual Evaluation of Board's Performance**

The Nomination and Remuneration Committee of the Company approved an Evaluation Policy during the year 2014-2015, which was adopted by the Board of Directors. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. The Policy provides that evaluation of the performance of the Board and Committees of Board shall be carried out on an annual basis.

The Evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. A separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of Managing Director and Non-Executive Director was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee (NRC) also reviewed the performance of the Board, its Committees and of the Directors.

The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

#### **16. Transfers to reserves**

The Company has not transferred any amount to the reserves in the financial year.

#### **17. Dividend**

In view of the accumulated losses, the Directors express their inability to recommend dividend during the year.

#### **18. Auditors**

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, Grandhy & Co., Chartered Accountants bearing Firm Registration No. 001007S, were appointed as statutory auditors from the conclusion of the thirty fourth Annual General Meeting (AGM) held on 28<sup>th</sup> September, 2017 till the



conclusion of the thirty-ninth AGM of the Company in 2022, subject to the ratification of their appointment at every AGM, if required under law. Accordingly, necessary resolution for ratification of appointment of auditors is included in the Notice for this AGM. In this regard, the Company has received a certificate from auditors to effect that if they are reappointed, it would be in accordance with the provisions of section 141 of the Companies Act, 2013

Grandhy & Co, Chartered Accountants have consented to their appointment as Statutory Auditors and have confirmed that their appointment, if made, will be in accordance with Section 139 read with Section 141 of the Act. Members are requested to approve the appointment of Grandhy & Co, Chartered Accountants and authorize the Board of Directors to fix their remuneration.

#### **Secretarial Auditor:**

R & A Associates, Practicing Company Secretaries, was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules there under.

The secretarial audit report for financial year 2017-18 forms part of the Annual Report as **Annexure-III** to the Board's report.

#### **19. Corporate Governance:**

A report on the Corporate Governance, which inter alia, includes the composition and construction of Audit Committee, is featuring as a part of Annual Report. Your Company will continue to adhere in letter and spirit to the good corporate governance policies. Pursuant to the relevant provisions of Securities Exchange Board of India(Listing Obligations And Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as referred to in Regulation 15 (2) of the Listing Regulations for the period 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018, a certificate from the auditors of the Company is enclosed.

#### **20. Managing Director's Declaration:**

Pursuant to the provisions of Listing Regulations, a declaration by the Managing Director of the Company declaring that all the members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company is enclosed. The same can be viewed on the website of the Company at [www.hypersoftindia.com](http://www.hypersoftindia.com)

#### **21. Directors' Responsibility Statement:**

In accordance with the provisions of the section 134(c) of the Companies Act, 2013 and based on the information provided by the management your directors state that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit 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 the Companies Act, 2013, 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 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.

## **22. Corporate Social Responsibility – Not Applicable**

## **23. Significant and material orders**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## **24. Secretarial Standards**

The Company is in compliance of Secretarial Standards during the Financial Year 2017-2018.

## **25. Internal Financial Controls**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

## **26. Whistle Blower Policy / Vigil Mechanism**

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behavior in all its operations, the Company has formulated a Vigil Mechanism/Whistle Blower Policy that governs the actions of its employees. This Whistleblower Policy/Vigil Mechanism aspires to encourage all employees to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviors or practices) that affect Company's interest / image.

A copy of the Policy is available on the website of the Company.

## **27. Disclosures Under Sexual Harassment of Women At Workplace (Prevention, Prohibition & 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 for prevention and redressal of complaints of sexual harassment at workplace. During the financial year 2017-18, the Company has not received any complaints on sexual harassment.



## **28. Conservation of Energy & Technology Absorption, Foreign Exchange Earnings and Outgo:**

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

- (a) Energy Conservation measures taken:** Your Company's operations are software oriented and not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy-efficient computers and equipment.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:** Exchanging legacy CRT monitors with LCD power saving monitors.
- (c) Impact of the measures (a) and (b) above for energy consumption and consequent impact on the cost of production of goods:** As energy conservation is very meager and energy cost forms a small part of total costs, the impact of costs is not material.

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

#### **Research and Development (R & D):**

##### **I. Specific areas in which R & D carried out by the Company:**

The Company continues to focus and invest in R & D activities for developing and improving the quality and enhancing the benefits of its software products. The Company is a product oriented Company and the continuous development of new products and the existing products is an ongoing exercise.

##### **II. Benefits derived as a result of the R & D:**

Research and development of new products & processes will continue to be of importance to your Company. Products although have a longer gestation, are of higher benefit to the Company and its profitability in the long run.

##### **III. Future plan of Action:**

The Company continues to strive for development and innovation of new products and improving the existing ones in order to meet the changing requirements and to cater to customer needs.

##### **IV. Expenditure on R & D: NIL**

##### **Adaptation and Innovation:**

As a result of new partnerships, the Company now has absorbed new technologies and will result in better adaptation to Indian customer needs.



### C. Foreign Exchange Earnings & Outgo:

Particulars	2017-2018 (in Rs.)	2016-2017 (in Rs.)
Foreign Exchange Earnings	15,82,672	8,07,000
Foreign Exchange Outgo:	-	-
Purchase	-	-
Expenses	-	-

### 29. Appreciation:

Your Directors place on record their appreciation of the continued assistance and co-operation extended by the shareholders, customers, bankers and the dedicated employees and the business associates.

For and on behalf of Board of Directors

Place: Secunderabad  
Date: 10<sup>th</sup> August, 2018

**(F.R. Bhote)**  
Managing Director  
DIN: 00156590

**(Vinay Vir)**  
Director  
DIN: 02378210



**Statement of Disclosure of Remuneration Under Section 197 of Companies Act,  
2013 and Rule 5(1) of Companies (Appointment and Remuneration of  
Managerial Personnel) Rules, 2014**

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-2018

Sl. No.	Name of Director	Designation	Ratio of remuneration of each Director to median remuneration of Employees
1.	Mr. F.R.Bhote	Managing Director	3.48

2. Percentage increase in remuneration of each director and KMP in the financial year 2017-2018.

Sl. No.	Name of Director / CFO	Designation	% increase in Remuneration in the Financial Year 2017-2018
1.	Mr. F.R.Bhote	Managing Director	91.51
2.	Mr. Khudaventh	CFO	10.00
3.	Ms. Gumpena Nagajyothi	Company Secretary (till 18 <sup>th</sup> July, 2018)	NA

3. The percentage increase in the median remuneration of employees in the financial year 2017-2018 was 10%

4. There are 13 permanent employees on the rolls of company

5. Relationship between average increase in remuneration and company performance:

The reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and drives performance culture. Every year, the salary increases for the Company are decided on the basis of a benchmarking exercise that is undertaken with similar profile organizations. The final salary increases given are a function of Company's market competitiveness in this comparator group as well as overall business affordability. During the year, similar approach was followed to establish the remuneration increases to the Employees. Variable compensation is an integral part of our total reward package and is directly linked to an individual performance rating and business performance. Salary increases during the year were in line with Company's performance as well as per Company's market competitiveness.



6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Aggregate remuneration of Key Managerial Personnel in FY 2017-18	Rs. 20,12,400
Total Revenue of the Company in FY 2017-18	Rs. 2,00,18,116
Remuneration of KMP (as % of revenue)	10.05

7. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the salaries of the Company in comparison to the rate at which the company came out with the last public offer the variations in the net worth of the Company as at the close of the current financial year and previous financial year – N.A

8. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 10% whereas the increase in the managerial remuneration was 91.51%

9. Comparison of each remuneration of the KMP against the performance of the company:

Particulars	Managing Director	CFO	CS
Remuneration of Key Managerial Personnel in FY 2017-18	12,18,000	5,40,000	2,54,400
Total Revenue of the Company in FY 2017-18	2,00,18,116	2,00,18,116	2,00,18,116
Remuneration of KMP (as % of revenue)	6.08	2.70	1.27

10. The key parameters of any variable component of remuneration availed by the directors - Nil

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Nil

12. It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

For and on behalf of Board of Directors

Place: Secunderabad  
Date: 10<sup>th</sup> August, 2018

**(F.R. Bhote)**  
Managing Director  
DIN: 00156590

**(Vinay Vir)**  
Director  
DIN: 02378210





## Annexure I to Director's Report

Form No.MGT-9

### EXTRACT OF ANNUALRETURN

As on the financial year ended on 31.03.2018

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

#### I. REGISTRATION AND OTHER DETAILS :

i	CIN	L29309TG1983PLC003912
ii	Registration Date	18 <sup>th</sup> April, 1983
iii	Name of the Company	<b>Hypersoft Technologies Limited</b>
iv	Category/Sub-category of the Company	Company Limited By Shares
v	Address of the Registered office & contact details	28, Goyal Society , Moti Valley, Tirumlgerry, Secunderabad, Telangana - 500015 Tel : 040-27744413
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	CIL Securities Ltd 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyd -500 001. Tel. # 040-23202465, 23203155 Fax # (040) 23203028, 66661267 Email : advisors@cilsecurities.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:-

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Software Maintenance	Division - 62 Group - 620 Class - 6201 Sub-class - 62013	74.48

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
NIL					



#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the end of the year [As on 31-March-2017]				No. of shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1788300	0	1788300	42.06	1483575	0	1483575	34.89	(7.17)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals					-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>1788300</b>	<b>0</b>	<b>1788300</b>	<b>42.06</b>	<b>1483575</b>	<b>-</b>	<b>1483575</b>	<b>34.89</b>	<b>(7.17)</b>
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>									



Category of Shareholders	No. of shares held at the end of the year [As on 31-March-2017]				No. of shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.	362490	227700	590190	13.88	576776	227700	804476	18.92	5.04
Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	281598	413100	694698	16.35	357691	408500	766191	18.02	1.67
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	720272	317400	1037672	24.41	876989	197400	1074389	25.27	0.86
c) Others (specify)									
Non Resident Indians	120090	-	120090	2.82	120090	-	120090	2.82	-
Overseas Corporate Bodies Foreign Nationals									
Clearing Members	-	-	-	-	2979	-	2979	0.07	0.07
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies	-	-	-	-	-	-	-	-	-
Directors/Relatives	20750	-	20750	0.48	-	-	-	-	(0.48)
<b>Sub-total (B)(2):-</b>	<b>1505200</b>	<b>958200</b>	<b>2463400</b>	<b>57.94</b>	<b>1934525</b>	<b>833600</b>	<b>2768125</b>	<b>65.11</b>	<b>7.17</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1505200	958200	2463400	57.94	1934525	833600	2768125	65.11	7.17
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>3293500</b>	<b>958200</b>	<b>4251700</b>	<b>100.00</b>	<b>3418100</b>	<b>833600</b>	<b>4251700</b>	<b>100.00</b>	-



**(ii) Shareholding of Promoters**

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		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	
1	Dadabhoy Russi Bhote	803000	18.89	-	498275	11.72	-	(7.17)
2	Feroz Russi Bhote	605650	14.24	-	605650	14.24	-	
3	Kashmira Dadabhoy Bhote	230900	5.43	-	230900	5.43	-	-
4	R D Bhote	58250	1.37	-	58250	1.37	-	-
5	Bhote Sillo Russi	36000	0.85	-	36000	0.85	-	-
6	Amy Russi Bajina	23100	0.54	-	23100	0.54	-	-
7	Bomi Russi Bhote	7500	0.18	-	7500	0.18	-	-
8	Rita Bhote	5900	0.14	-	5900	0.14	-	-
9	UrmezFerozBhote	18000	0.42	-	18000	0.42	-	-
	<b>Total</b>	<b>1788300</b>	<b>42.06</b>	<b>-</b>	<b>1483575</b>	<b>34.89</b>	<b>-</b>	<b>(7.17)</b>

**(iii) Change in Promoters' Shareholding :**

Sl. No.	Name of the Shareholders	No. of Shares at the beginning of the Year	% of total shares of the company	No. of Shares Brought or Sold during the year	No. of Shares at the end of the year	% of total shares of the company	% Change in share holding during the year
1.	Dadabhoy Russi Bhote	803000	18.89	(304725)	498275	11.72	(7.17)

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

Sl. No.	Name of the Shareholders	No. of Shares at the beginning of the Year	% of total shares of the company	No. of Shares Brought or Sold during the year	No. of Shares at the end of the year	% of total shares of the company	% Change in share holding during the year
1.	Savio Pinto	250000	5.88	0	250000	5.88	0
2.	Zen Securities Ltd	200000	4.70	0	200000	4.70	0



Sl. No.	Name of the Shareholders	No. of Shares at the beginning of the Year	% of total shares of the company	No. of Shares Brought or Sold during the year	No. of Shares at the end of the year	% of total shares of the company	% Change in share holding during the year
3.	Incotel Software Solutions (OPC) Private Limited	0	0.00	178155	178155	4.19	4.19
4.	Nalluri Chandrashekar Murthy	120000	2.82	-	120000	2.82	-
5.	Ranjit Malik	120000	2.82	(14713)	105287	2.48	(0.34)
6.	Bodhtree Consulting Limited	100000	2.35	-	100000	2.35	-
7.	Rvg Investments & Tech P Ltd	100000	2.35	-	100000	2.35	-
8.	Latin Maharlal Securities Pvt Ltd	100000	2.35	-	100000	2.35	-
9.	N C Nagarajan	132900	3.13	(41340)	91560	2.15	(0.98)
10.	V Nagesh	71000	1.67	-	71000	1.67	-

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of the Director / KMP	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
1.	<b>F.R Bhote</b>				
	At the beginning of the year	605650	14.24	605650	14.24
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	605650	14.24	605650	14.24

**V. INDEBTEDNESS**

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



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director

Sl No.	Particulars of Remuneration	Name of KMP
	<b>F.R. Bhote</b>	
1	Gross salary	Rs.
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	12,18,000
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	29,426
	(c) Profits in lieu of Salary under Section 17(3) Income- Tax Act, 1961	NIL
2	Stock Option	NIL
3	Sweat Equity	NIL
4	Commission - as % of profit - others, specify...	
5	Others, please specify (PF)	1,02,960
	<b>Total (A)</b>	<b>13,50,386</b>
	Ceiling as per the Act	30,00,000

### B. Remuneration to other Directors: NIL

### C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:

SN.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary	Rs.	Rs.	Rs.
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,55,000	2,54,400	8,09,400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL
	others, specify...(PF)	46,080	NIL	46,080
5	Others, please specify	NIL	NIL	NIL
	<b>Total</b>	<b>6,01,080</b>	<b>2,54,400</b>	<b>8,55,480</b>



## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



## Annexure II to Director's Report Nomination and Remuneration Policy

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- Composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- Desired age and diversity on the Board;
- Size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- Professional qualifications, expertise and experience in specific area of business;

**The guiding principles for Company's reward policies / practices are as follows:**

- 1. Open, Fair, Consistent and Explainable:** increase transparency and ensure fairness and consistency in Reward framework.
- 2. Insight and Engagement:** make reward truly relevant to the employees by using leading edge tools that helps the Company 'hear' how employees feel about their Reward.
- 3. Innovation:** continuously improve Company's Reward through innovations based on insight, analytics expertise.
- 4. Simplicity, Speed and Accuracy:** simplify reward plans and processes and deliver the information employees need quickly, clearly and efficiently.
- 5. Business Results:** Company's business results are the ultimate test of whether Reward solutions are effective and sustainable.

The appointment of Executive Directors, Key Managerial Personnel, Management Committee members and other employees is by virtue of their employment with the Company as management employees and therefore, their terms of employment vis-à-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies at the relevant point in time. The total reward for Executive Directors, Key Managerial Personnel and Management Committee members is reviewed and approved by the Nomination and Remuneration Committee annually, taking into account external benchmarks.





**Annexure III**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule no .9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To  
The Members  
**Hypersoft Technologies Limited**  
28, Goyal Society, Moti Valley  
Tirmulgherry, Secunderabad – 500015, Telangana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Hypersoft Technologies Limited, (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.

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, 2018 (**“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, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (“the Act”) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- (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, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**
- 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; **(Not Applicable to the Company during the Audit Period)**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**
- 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; **(Not Applicable to the Company during the Audit Period)** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit Period)**

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

- (i) Secretarial Standards issued by “The Institute of Company Secretaries of India” on Meetings of the Board of Directors and General Meeting.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.



We further report that the Company is engaged into software services, and applicable specific industry laws are in compliance.

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

We further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards.

For **R & A Associates**

**(G. Raghu Babu)**

Partner

FCS No.4448

CP No. 2820

Place: Hyderabad  
Date: 10<sup>th</sup> August, 2018

*This report is to be read with our letter of even date, which is annexed as "Annexure-A" and forms an integral part of this report.*



## Annexure

To  
The Members  
**Hypersoft Technologies Limited**  
28, Goyal Society, Moti Valley  
Tirmulgerry, Secunderabad – 500015, Telangana

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

1. Maintenance of secretarial records is the responsibility of the management of **M/s. Hypersoft Technologies Limited (“the Company”)**. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For R & A Associates

**(G. Raghu Babu)**

Partner

FCS No.4448

CP No. 2820

Place: Hyderabad  
Date: 10<sup>th</sup> August, 2018



## REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2017-2018

### Company's Philosophy:

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in efficient conduct of its business and in meeting its obligations to stakeholders.

### A. Board of Directors:

At present the composition of the Board of Directors comprises of four (4) Directors comprising of One (1) Executive Director, two(2) Non-Executive Independent Directors and one (1) Non-executive Director.

1) Composition and category of Directors as on date is:

Sl. No.	Name of the Director	Category
1.	Mr. F.R. Bhote	Promoter & Managing Director
2.	Mr. Vinay Vir	Non-Executive & Independent Director
3.	Mr. Joydip Lahiri (Wef 28 <sup>th</sup> May, 2018)	Non-Executive & Independent Director
4.	Mrs. Geeta Feroz Bhote	Non-Executive Director

The Composition and Category of Directors as on 31st March, 2018 was as under:

Sl. No.	Name of the Director	Category
1.	Mr. F.R. Bhote	Promoter & Managing Director
2.	Mr. Vinay Vir	Non-Executive & Independent Director
3.	Mr. Premanshu Rana	Non-Executive & Independent Director
4.	Mrs. Geeta Feroz Bhote	Non-Executive Director

2) Attendance of each director at the Board Meetings held during the year 2017-2018 and at the last Annual General Meeting:

Name of the Director	No. of Board Meetings held which the Director was eligible to attend during the Year	Meetings attended	Last AGM
Mr. F. R. Bhote	4	4	Present
Mr. Vinay Vir	4	4	Absent
Mrs. Geeta Feroz Bhote	4	4	Present
Mr. Aashay Harshe (Till 10 <sup>th</sup> August, 2017)	2	1	Absent
Mr. Premanshu Rana (Appointed From 10 <sup>th</sup> August, 2017)	2	2	Absent



None of the directors of the Company are members in more than 10 committees or act as Chairman of more than five committees across all Companies in which he/she is a Director.

### **3) Number of meetings of the Board:**

The Board of Directors met 4 (four) times during this financial year on 27<sup>th</sup> May, 2017, 10<sup>th</sup> August, 2017, 17<sup>th</sup> October, 2017, and 12<sup>th</sup> February, 2018.

### **4) Disclosure of relationships between directors inter-se:**

Ms. Geeta Feroz Bhote, Director of the Company is married to Mr. F. R Bhote, Managing Director of the Company.

### **5) Number of shares and convertible instruments held by non-executive Directors**

Ms. Geeta Feroz Bhote is the only non-executive Director who holds 2,00,000 Shares of the Company jointly with Mr. F. R. Bhote.

### **6) Familiarization program for Independent Directors**

The details of training and familiarization program is available on our website <http://www.hypersoftindia.com/InvestorRelations.html>

## **B. Audit Committee:**

The Audit Committee was constituted in terms of Section 177 of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### **1. Brief description of terms of reference:**

The term of reference of the Audit Committee is in conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia, includes the following:

- a) Oversight of Company's financial reporting process.
- b) Recommending appointment and removal of external auditors and fixing of their fees.
- c) Reviewing with management the quarterly, half-yearly and annual financial results/statements with special emphasis on accounting policies and practices, compliance's with accounting standards and other legal requirements concerning financial statements.
- d) Reviewing the adequacy of the Audit and compliance functioning including policies, procedures, techniques and other regulatory requirements.
- e) Reviewing the adequacy of internal control systems and significant audit findings.
- f) Discussion with external auditors regarding nature and scope of audit.



## 2. Composition of Committee and details of meetings attended by its Members

Name of the Member	Category	No. of Meetings which the Director was eligible to attend during the year	Meeting attended
Mr. Vinay Vir	Independent Director	4	4
Mr. F. R. Bhote	Managing Director	4	4
Mr. Aashay Harshe (Till 10 <sup>th</sup> August, 2017)	Independent Director	2	1
Mr. Parmanshu Rana (From 10 <sup>th</sup> August, 2017)	Independent Director	2	2

The Committee met 4 (four) times during this financial year on 27<sup>th</sup> May, 2017, 10<sup>th</sup> August, 2017, 17<sup>th</sup> October, 2017, and 12<sup>th</sup> February, 2018.

### C. Nomination & Remuneration Committee:

#### 1. Brief description of terms of reference:

This committee was constituted in terms of section 178 of the Companies Act, 2013 and the Listing Regulations, to evaluate compensation and benefits given to Executive Directors.

#### 2. Composition of the Committee and details of meetings attended by its Members:

Name of the Member	Meeting held during the year	Meeting attended
Mr. Vinay Vir (Chairman)	2	2
Mrs. Geeta Feroz Bhote	2	2
Mr. Aashay Harshe	2	-
Mr. Premanshu Rana	2	1

The Committee met 2 (two) times during this financial year on 10<sup>th</sup> August, 2017 & 17<sup>th</sup> October, 2017

#### 3. Performance Evaluation Criteria for Independent Directors

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

The Independent Directors met 1 (one) time during this financial year on 12<sup>th</sup> February, 2018.

#### 4. Remuneration Policy

Our policy on the appointment and remuneration of directors and key managerial personnel provides a framework based on which our human resources management aligns their



recruitment plans for the strategic growth of the Company. The nomination and remuneration policy is provided herewith pursuant to Section 178(4) of the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Details of remuneration to all the directors:**

<b>Particulars</b>	<b>F. R Bhote</b>
Salary	12,18,000
Perquisites	29,426
Provident Fund	1,02,960
<b>Total</b>	<b>13,50,386</b>

The Non-Executive Directors not eligible for commission and also they have not been paid sitting fee and any other expenses.

**D. Shareholders / Investors Grievance Committee:**

**1. Terms of reference**

The Committee was constituted to specifically look into the redressing of shareholders and investor complaints like transfer of shares, non-receipt of balance-sheet etc.

**2. Composition, name of members and Chairman:**

The Committee comprises of the following directors

- i. Mr. Vinay Vir - Chairman
- ii. Mrs. Geeta Feroz Bhote - Member
- iii. Mr. Aashay Harshe - Member (Till 10<sup>th</sup> August,2017)
- iv . Mr. Parmanshu Rana - Member (From 10<sup>th</sup> August, 2017)

**3. Name and Designation of Compliance Officer:**

Ms. Gumpena Naga Jyothi, Whole-time Company Secretary and Compliance Officer (Till 18<sup>th</sup> July,2018)

Subsequently Mr. F.R. Bhote, Managing Director has been designated as a Compliance Officer.

**4. No. of Shareholders Complaints received during the year 2017-18:**

During the year 2017-18, no complaints were received from the investors.

**5. No. of complaints not solved to the satisfaction of shareholders:**

The Company has not received any complaints during the year 2017-18, so question of complaints not solved to the satisfaction of shareholders does not arise.





## **E. General Body Meetings**

### **1. Details of last three Annual General Meetings (AGM):**

The information about the last three general body meetings are given below:

<b>Financial Year</b>	<b>AGM</b>	<b>Venue</b>	<b>Time &amp; Date of AGM</b>
2014-2015	32 <sup>nd</sup> AGM	Registered Office	4:00 p.m. on 29 <sup>th</sup> September, 2015
2015-2016	33 <sup>rd</sup> AGM	Registered Office	4:00 p.m. on 24 <sup>th</sup> September, 2016
2016-2017	34 <sup>th</sup> AGM	Registered Office	4:00 p.m. on 28 <sup>th</sup> September, 2017

### **2. Special Resolution passed through postal ballot system during the year and person who conducted the postal ballot exercise:**

No special resolution was required to be put through postal ballot system last year.

### **3. Whether any special resolution proposed to be conducted through postal ballot:**

No special resolution was proposed to be conducted through postal ballot system.

## **F. Disclosures:**

A. The Company had no Related Party transactions. None of the transactions with any of the related parties were in conflict with the interests of the Company.

There has been no non-compliance by the Company of the regulations imposed by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last 3 years.

## **B. Means of Communication:**

- Financial results of the Company (Quarterly, half-yearly and Annual) have been approved by the Board and intimated to the Stock Exchanges and published in Business Standard and Andhra Bhoomi.
- The Management Discussion and Analysis Report forms part of the Annual Report.

## **C. Whistle Blower Policy**

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the company has formulated a Vigil Mechanism/Whistle Blower Policy that governs the actions of its employees. This Whistleblower Policy/Vigil Mechanism aspires to encourage all employees to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviors or practices) that affect Company's interest / image.

A copy of the Policy is available on the website of the Company.

## **G. General information:**

### **1. Date, Time & Venue of the present Annual General Meeting:**

On Friday, the 28<sup>th</sup> Day of September, 2018 at 3:00 PM at the Registered office of the Company at Flat No. 28, Goyal Society, Moti Valley, Tirmulgerry, Secunderabad-500 015.



## 2. Financial Calendar for 2018-2019 (tentative):

Quarter ending on	Reporting on
30 <sup>th</sup> June, 2018	10 <sup>th</sup> August, 2018 (Completed)
30 <sup>th</sup> September, 2018	Last week of October, 2018
31 <sup>st</sup> December, 2018	Last week of January, 2019
31 <sup>st</sup> March, 2019	Last week of May, 2019

## 3. Date of Book Closure:

The Register of Members and Share Transfer Books of the Company in respect of Equity Shares will remain close from 25<sup>th</sup> September, 2018 to 28<sup>th</sup> September, 2018 (both the days inclusive).

## 4. Listing on Stock Exchanges:

Name of Stock Exchange where the shares of the Company are listed	Address	Whether annual listing fee paid
BSE Limited	25 <sup>th</sup> Floor, P.J Towers, Dalal Street, Mumbai- 400 001	Paid
The Ahmedabad Stock Exchange Limited (ASE)	A-2, Kamdhenu Complex, Opposite Sahajanand College, 120 Feet Ring Rd, Panjara Pol, Ambawadi, Ahmedabad-380015, Gujarat	Not received any invoice from the ASE

## 5. Scrip Code: BSE Limited: 539724

## 6. Market price data:

S.No	Month	High (Rs.)	Low (Rs.)
1	April, 2017	No Trading	No Trading
2	May, 2017	No Trading	No Trading
3	June, 2017	10.25	10.20
4	July, 2017	10.20	10.20
5	August, 2017	11.65	9.22
6	September, 2017	9.38	8.80
7	October, 2017	11.30	8.75
8	November, 2017	10.22	8.70
9	December, 2017	No Trading	No Trading
10	January, 2018	10.61	8.27
11	February, 2018	11.04	8.45
12	March, 2018	10.55	6.90



## 7. Performance in comparison to broad-based indices such as BSE sensex:

	1st April, 2017	31st March, 2018	% change
Company Share Price (closing)	10.00	7.26	27.40
Sensex (Closing)	29,910.22	32,968.68	9.28

## 8. Registrar and Transfer Agents:

M/s. CIL Securities Ltd.

214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad -500001

Tel. # 040-23202465, 23203155

Fax # (040) 23203028, 66661267 Email :advisors@cilsecurities.com

## 9. Share Transfer System:

The Company's Share transfers are taken care by M/s. CIL Securities Limited, Depository Registrars and Share Transfer Agents appointed by the Company. Transfers which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects.

## 10. Distribution of Shareholding as on 31st March, 2018:

Sl.No.	Category	No.of Shareholders	Percentage of Shareholders	No. of Equity Shares	Percentage of Shareholding
0	500	433	60.73	40218	0.95
501	1000	65	9.12	57997	1.36
1001	2000	31	4.35	51149	1.20
2001	3000	58	8.13	143551	3.38
3001	4000	14	1.96	52000	1.22
4001	5000	28	3.93	137200	3.23
5001	10000	42	5.89	341779	8.04
10001	4251700	42	5.89	3427806	80.62
<b>TOTAL</b>		<b>713</b>	<b>100.00</b>	<b>4251700</b>	<b>100.00</b>

## 11. Dematerialization of Shares:

The Company's shares are available for holding / transfer in depository system of both Central Depository Services (India) Limited and National Securities Depository Limited. The members have the option of holding the shares in physical or dematerialized form. The processing activities with respect to the requests received for dematerialization are generally completed within 15 days from the date of receipt of request.

The ISIN No. allotted for the equity shares of the Company – INE 039D01014.



As on 31st March, 2018 a total no of 3418100 equity shares of the Company stand dematerialized constituting 80.39% of the paid-up share capital of the Company.

**12. Outstanding GDRs / ADRs / Warrants / Convertible Debentures during the year 2017-2018:**

The Company has not issued any GDRs / ADRs / Warrants / Convertible Debentures during the year 2017-2018.

**13. Commodity price risk or foreign exchange risk and hedging activities: NIL**

**14. Plant Locations:**

The Company doesn't have manufacturing facilities. However, the Company has the Software Development facilities, the particulars of which are given below:

Development facilities / Branch	Location
Hyderabad	28, Goyal Society, Moti Valley, Tirmulgherry, Secunderabad – 500 015.
Mumbai	309-B, Commerce House, Nagindas Master Road, Fort, Mumbai – 400023.

**15. Address for correspondence:**

- i) For any query in Demat & : M/s. CIL Securities Ltd.  
Physical shares 214, Raghava Ratna Towers,  
Chirag Ali Lane, Abids,  
Hyderabad -500001  
Tel. # 040-23202465, 23203155  
Fax # (040) 23203028, 66661267  
Email : advisors@cilsecurities.com
- ii) For any other queries: Registered Office of the Company  
28, Goyal Society, Moti Valley,  
Tirmulgherry  
Secunderabad – 500 015.  
Phone # 2774 4413  
E-mail: info@hypersoftindia.com  
Website: www.hypersoftindia.com



## DECLARATION

I, F. R. Bhote, Managing Director do hereby declare that pursuant to the provisions of the Listing Regulations, all the members of the Board and Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company

Place: Hyderabad  
Date: 10<sup>th</sup> August, 2018

**F.R. Bhote**  
Managing Director



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Hypersoft Technologies Limited

We have examined the compliance of conditions of Corporate Governance by Hypersoft Technologies Limited for the year ended 31st March 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

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 the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations as applicable.

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

**For GRANDHY&CO**  
Chartered Accountants  
Firm Regn. No. 001007S

Place: Secunderabad  
Date: 10<sup>th</sup> August, 2018

**Naresh Chandra Gelli V**  
Partner  
M. No. 201754



## INDEPENDENT AUDITOR'S REPORT

**To the Members of Hypersoft Technologies Limited**

### **Report on the Financial Statements:**

We have audited the accompanying financial statements of **Hypersoft Technologies Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss (including Other Comprehensive income), Cash Flow Statement and Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility 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 effectively design, implementation and maintenance of adequate internal financial controls, that were operating for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made hereunder.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial



reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements

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

**Opinion:**

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

**Other Matters:**

The comparative financial information of the company for the year ended 31<sup>st</sup> March, 2017 and Transition date opening balance sheet as on 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditors 31<sup>st</sup> March, 2017 and 1<sup>st</sup> April, 2017 and their reports for the year ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 dated 27<sup>th</sup> May, 2017 and 27<sup>th</sup> May, 2016 respectively expressed unmodified opinion on those financial statements.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A a statement on the matters Specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;





- (f) With respect to the adequacy of internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in “Annexure-B”; and
- (g) With respect to other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company does not have any pending litigations which would impact its financial position;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **GRANDHY & Co**  
Chartered Accountants  
Firm Regn. No. 001007S

**(Naresh Chandra Gelli)**  
Partner  
M. No. 201754

Place: Secunderabad  
Date: 28<sup>th</sup> May, 2018



## **Annexure – A to the Independent Auditors’ Report**

The Annexure referred to in our Independent Auditors’ Report to the members of the Hypersoft Technologies Ltd. on the financial statements for the period ended 31<sup>st</sup> March 2018, we report that:

- 1.1 The Company is maintaining proper records showing full particulars including the Quantitative details and the situation of fixed assets.
- 1.2 The fixed assets have been physically verified by the Management at reasonable intervals, and according to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its business.
- 1.3 According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable property are held in the name of company.
- 2.1 The company has carried out only services activity during the year and accordingly did not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- 3.1 The Company has not granted any loans, secured or unsecured during the period. Thus paragraphs 3 (iii) of the order is not applicable to the company.
- 4.1 In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments or provided securities to companies and other parties listed under section 185 and 186 of the Act.
- 5.1 The Company has not accepted any deposits from the public.
- 6.1 The Central Government has not prescribed the maintenance of Cost records under section 148 (1) of the Act, for any of the services rendered by the Company.
- 7.1 According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services Tax and other taxes to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts are payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax and other taxes were in arrears as at 31<sup>st</sup> March 2018 for a period of more than six months from the date they became payable.
- 7.2 According to the information and explanations given to us, there are no material dues of duties or taxes which are disputed and not deposited with the concerned authorities.
- 8.1 The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.



- 9.1 The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, paragraph 3(ix) of the Order is not applicable.
- 10.1 According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11.1 According to information and explanation given to us and based on our examination of records of the company, the company has paid /provided for managerial remuneration with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- 12.1 In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13.1 According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14.1 According to the information and explanations given to us and based on our examination of records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15.1 According to the information and explanations given to us and based on our examination of records of the company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16.1 The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **GRANDHY & Co**  
Chartered Accountants  
Firm Regn. No. 001007S

Place: Secunderabad  
Date: 28<sup>th</sup> May, 2018

**(Naresh Chandra Gelli)**  
Partner  
M. No. 201754



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

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

We have audited the internal financial controls over financial reporting of **Hypersoft Technologies Limited** ("the Company") as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

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

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **GRANDHY & Co**  
Chartered Accountants  
Firm Regn. No. 001007S

**(Naresh Chandra Gelli)**  
Partner  
M. No. 201754

Place: Secunderabad  
Date: 28<sup>th</sup> May, 2018



## HYPERSOFT TECHNOLOGIES LIMITED

### BALANCE SHEET AS AT MARCH 31, 2018

All amounts in INR

PARTICULARS	NOTE NO.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	2,09,25,207	12,647,202	13,031,487
Other Intangible Assets	2	1,76,441	-	-
Financial assets				
(i) Other financial assets	3	1,08,82,726	96,05,710	1,29,01,710
Other non-current assets	4	7,41,872	7,73,538	21,48,992
<b>Total non-current assets</b>		<b>3,27,26,246</b>	<b>2,30,26,450</b>	<b>2,80,82,189</b>
<b>Current Assets</b>				
Inventories	5	20,60,084	20,64,732	17,05,519
Financial assets				
i) Trade receivables	6	66,51,681	12,21,234	1,57,419
ii) Cash and cash equivalents	7	2,43,620	13,00,818	2,85,517
iii) Other Bank balances	8	14,55,210	-	-
iii) Loans	9	94,000	1,97,500	1,80,810
iv) Other financial assets	10	14,13,051	22,73,686	13,73,189
Other current assets	11	27,98,631	8,26,815	8,39,617
<b>Total current assets</b>		<b>1,47,16,277</b>	<b>78,84,785</b>	<b>45,42,071</b>
<b>Total Assets</b>		<b>4,74,42,523</b>	<b>3,09,11,235</b>	<b>3,26,24,260</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	12	4,49,21,750	4,49,21,750	4,49,21,750
Other equity	13	(50,00,560)	(1,75,09,144)	(1,75,84,966)
<b>Total equity</b>		<b>3,99,21,190</b>	<b>2,74,12,606</b>	<b>2,73,36,784</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Deferred tax Liabilities (net)	14	14,01,507	16,41,494	15,74,223
Financial liabilities				
(i) Borrowings		-	-	-
(ii) Other financial liabilities	15	1,35,000	1,35,000	1,35,000
Provisions	16	4,93,057	4,72,531	4,35,560
<b>Total non-current liabilities</b>		<b>20,29,564</b>	<b>22,49,025</b>	<b>21,44,783</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	17	13,04,942	-	-
(ii) Trade payables	18	21,66,213	4,38,808	22,85,236
(iii) Other financial liabilities	19	1,65,643	1,59,213	2,15,412
Provisions	20	6,16,236	4,30,517	4,50,315
Other current liabilities	21	12,38,735	2,21,066	1,91,730
<b>Total current liabilities</b>		<b>54,91,769</b>	<b>12,49,604</b>	<b>31,42,693</b>
<b>Total liabilities</b>		<b>75,21,333</b>	<b>34,98,629</b>	<b>52,87,476</b>
<b>Total equity and liabilities</b>		<b>4,74,42,523</b>	<b>3,09,11,235</b>	<b>3,26,24,260</b>
<b>Significant Accounting Policies</b>	1			

The accompanying notes form an integral part of financial statements

As Per our report of even date

For **GRANDHY & Co**

Chartered Accountants

FR No : 001007 S

For and on behalf of the Board

**(NARESH CHANDRA GELLI)**

PARTNER

Membership No: 201754

**S. KHUDAVENTH**

Chief Financial Officer

**F.R. BHOTE**

Managing Director

Place : Hyderabad

Date : 28th May, 2018

**GUMPENA NAGAJYOTHI**

Company Secretary

**VINAY VIR**

Director



**HYPERSOFT TECHNOLOGIES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31 2018**

All Amounts in INR

PARTICULARS	NOTE NO.	Year ended March 31, 2018	Year ended March 31, 2017
<b>INCOME</b>			
Revenue from operations	22	1,79,82,263	1,92,90,622
Other income	23	20,35,853	19,57,735
<b>Total income</b>		<b>2,00,18,116</b>	<b>2,12,48,357</b>
<b>EXPENSES</b>			
Cost of material consumed		-	-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24	4,648	9,294
Employee benefit expense	25	51,05,913	48,76,840
Depreciation and amortisation expense	26	5,87,480	3,84,286
Other expenses	27	1,05,44,327	1,57,71,775
Finance costs	28	28,855	31,403
<b>Total expenses</b>		<b>1,62,71,223</b>	<b>2,10,73,598</b>
<b>Profit before tax</b>		<b>37,46,893</b>	<b>1,74,759</b>
Income tax expense	29		
Current tax		7,44,828	31,666
Deferred tax		(2,39,987)	67,271
Minimum Alternative Tax		(4,02,455)	-
<b>Total tax expense</b>		<b>1,02,386</b>	<b>98,937</b>
<b>Profit for the year</b>		<b>36,44,507</b>	<b>75,822</b>
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of Property		88,64,077	
<b>Other comprehensive income for the year, net of tax</b>		<b>88,64,077</b>	-
<b>Total comprehensive income for the year</b>		<b>1,25,08,584</b>	<b>75,822</b>
Earnings per equity share for profits from operations attributable to the owners of the Company:			
Basic earnings per share in Rupees	<b>34</b>	<b>0.86</b>	<b>0.02</b>
Diluted earnings per share in Rupees		<b>0.86</b>	<b>0.02</b>
Significant Accounting Policies	1		

The accompanying notes form an integral part of financial statements

As Per our report of even date

For **GRANDHY & Co**

Chartered Accountants

FR No : 001007 S

For and on behalf of the Board

**(NARESH CHANDRA GELLI)**

PARTNER

Membership No: 201754

**S. KHUDAVENTH**

Chief Financial Officer

**F.R. BHOTE**

Managing Director

Place : Hyderabad

Date : 28th May, 2018

**GUMPENA NAGAJYOTHI**

Company Secretary

**VINAY VIR**

Director



**HYPERSOFT TECHNOLOGIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

PARTICULARS	31st MARCH 2018 Rs.	31st MARCH 2017 Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Tax	37,46,893	1,74,759
Adjustments for		
Profit on sale/ Discarded Fixed Assets	-	-
Depreciation	5,87,480	3,84,286
Interest Expenses	28,855	31,403
Interest Income	(12,27,865)	(10,57,859)
Exceptional Items	-	-
Current Tax Paid	(5,69,701)	(16,691)
<b>Operating Profit / (Loss) before working capital change</b>	<b>25,65,662</b>	<b>(4,84,102)</b>
<b>Adjustments for</b>		
Non-Current Provisions	20,526	36,971
Financial Liabilities - Current	13,11,372	(56,199)
Trade Payables	17,27,405	(18,46,428)
Current Provisions	1,85,719	(19,798)
Other Current Liabilities	8,42,542	(2,330)
<b>Current Assets</b>		
Inventories	4,648	(3,59,213)
Trade Receivables	(54,30,447)	(10,63,815)
Other Financial Assets	(4,91,075)	(9,00,497)
Other Current Assets	(15,69,361)	12,802
<b>Cash from Operations</b>	<b>(8,33,009)</b>	<b>(46,82,609)</b>
Less: Exceptional Items	-	-
<b>Net Cash generated from Operating Activities</b>	<b>(8,33,009)</b>	<b>(46,82,609)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,77,849)	-
Proceeds on Sale of Fixed Assets	-	-
Non Current - Other Financial Assets	(12,77,016)	32,96,000
Other Non Current Assets	31,666	13,75,454
Interest received	12,27,865	10,57,859
<b>Cash Flow from Investing Activities</b>	<b>(1,95,334)</b>	<b>57,29,313</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans received from Bank	-	-
Changes in Non Current Liabilities	-	-
Interest paid	(28,855)	(31,403)
<b>Cash flow from Financing Activities</b>	<b>(28,855)</b>	<b>(31,403)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(10,57,198)</b>	<b>10,15,301</b>
Cash and Cash Equivalents at the beginning of the year	13,00,818	2,85,517
<b>Cash and Cash Equivalents at the end of the year</b>	<b>2,43,620</b>	<b>13,00,818</b>

The accompanying notes form an integral part of financial statements

As Per our report of even date

For **GRANDHY & Co**

Chartered Accountants

FR No : 001007 S

For and on behalf of the Board

**(NARESH CHANDRA GELLI)**

PARTNER

Membership No: 201754

**S. KHUDAVENTH**

Chief Financial Officer

**F.R. BHOTE**

Managing Director

Place : Hyderabad

Date : 28<sup>th</sup> May, 2018

**GUMPENA NAGAJYOTHI**

Company Secretary

**VINAY VIR**

Director





**HYPERSOFT TECHNOLOGIES LIMITED**  
**Statement of Changes in Equity**

**A. EQUITY SHARE CAPITAL**

Balance at the Beginning of the Reporting Period as at April 01, 2016	Changes in Equity Share capital during the year	Balance at the End of the Reporting Period as at March 31, 2017
<b>4,49,21,750</b>	-	<b>4,49,21,750</b>

Balance at the Beginning of the Reporting Period as at April 01, 2017	Changes in Equity Share capital during the year	Balance at the End of the Reporting Period as at March 31, 2018
<b>4,49,21,750</b>	-	<b>4,49,21,750</b>

**B. OTHER EQUITY**

Rs.

Particulars	Reserves and Surplus				Other items of other comprehensive income	Total
	Retained Earnings	Capital Reserve	Share Premium	Revaluation Surplus		
Balance at the Beginning of the Reporting Period as at April 01, 2016	(2,12,06,657)	37,87,500	32,75,000	-	-	(1,41,44,157)
Changes in accounting policy/ prior period adjustments	(34,40,809)	-	-	-	-	(34,40,809)
Restated balance at the beginning of the Accounting Period as at April 01, 2016	<b>(2,46,47,466)</b>	<b>37,87,500</b>	<b>32,75,000</b>	-	-	<b>(1,75,84,966)</b>
Total Comprehensive Income for the year	75,822	-	-	-	-	75,822
Dividend paid	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-
Balance at the end of the Reporting Period as at March 31, 2017	<b>(2,45,71,644)</b>	<b>37,87,500</b>	<b>32,75,000</b>	-	-	<b>(1,75,09,144)</b>



Rs.

Particulars	Reserves and Surplus				Other items of other comprehensive income	Total
	Retained Earnings	Capital Reserve	Share Premium	Revaluation Surplus		
Balance at the Beginning of the Accounting Period as at April 01, 2017	(2,45,71,644)	37,87,500	32,75,000	-	-	(1,75,09,144)
Changes in accounting policy/ prior period adjustments	-	-	-	-	-	-
Restated balance at the beginning of the Accounting Period as at April 01, 2017	<b>(2,45,71,644)</b>	<b>37,87,500</b>	<b>32,75,000</b>	-	-	<b>(1,75,09,144)</b>
Total Income for the year	36,44,507	-	-	-	-	36,44,507
Other Comprehensive Income	-	-	-	88,64,077	-	88,64,077
Dividend paid	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-
Balance at the end of the Accounting Period as at March 31, 2018	<b>(2,09,27,137)</b>	<b>37,87,500</b>	<b>32,75,000</b>	<b>88,64,077</b>	-	<b>(50,00,560)</b>

The accompanying notes form an integral part of financial statements

As Per our report of even date

For **GRANDHY & Co**  
Chartered Accountants  
FR No : 001007 S

For and on behalf of the Board

**(NARESH CHANDRA GELLI)**  
PARTNER  
Membership No: 201754

**S. KHUDAVENTH**  
Chief Financial Officer

**F.R. BHOTE**  
Managing Director

Place : Hyderabad  
Date : 28<sup>th</sup> May, 2018

**GUMPENA NAGAJYOTHI**  
Company Secretary

**VINAY VIR**  
Director



## **NOTE NO. – 1 : SIGNIFICANT ACCOUNTING POLICIES**

### **A: CORPORATE INFORMATION**

The accompanying financial statements comprise the financial statements of HYPERSOFT Technologies Limited (the Company). The Company is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Hyderabad, Telangana, India.

### **B. STATEMENT OF COMPLIANCE:**

In accordance with the Notification 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 with effect from April 01, 2017. Previous periods have been restated to Ind AS in accordance with Ind AS 101- First time adoption of Indian Accounting Standards. The company has presented a Reconciliation of Financial Statements under Accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders equity as at March 31, 2017 and April 01, 2016 and of the Comprehensive income net income for the year ended March 31, 2018.

### **C. BASIS OF ACCOUNTING:**

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India (GAAP), mainly comprising the mandatory Accounting Standards (IND AS) as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 to the extent applicable and the provisions of the Companies Act, 2013.

Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity are prepared in conformity with Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act'), the provisions of the Act (to the extent notified) and guide lines issued by the Securities and Exchange Board of India (SEBI).

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 accounting policy hitherto in use.

The company generally follows mercantile system of Accounting and recognizes significant items of income and expenditure on accrual basis.

### **D. USE OF ESTIMATES:**

The preparation of Financial Statements in conformity with GAAP requires estimates and assumptions (including revisions if any) that affect the reported amount of assets and liabilities, disclosure of contingent liability on the date of financial statements and the reported amount of Revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known/materialized.



## **E. BASIS OF MEASUREMENT**

The financial statements have been prepared on a historical cost basis except for certain assets and liabilities which have been measured at fair value as per applicable IND AS accounting standards.

The Financial Statements are presented in Indian Rupees (INR) rounded to the nearest lakhs with two decimals, except when otherwise indicated, which is the functional currency of the Company.

## **F. PROPERTY, PLANT & EQUIPMENT:**

Property, Plant & Equipment are disclosed at historical cost of acquisition. Buildings have been valued at Fair Market Value by Independent valuation.

## **G. DEPRECIATION:**

During the year, depreciation is provided on the straight line method and based on the useful life and in the manner specified in schedule II of the Companies Act, 2013.

## **H. PRIOR PERIOD / PRE PAID EXPENSES:**

Expenditure less than Rs. 10,000/- are not classified into Prior Period Expenditure or Prepaid Expenses in view of the fact that they are not material in nature.

## **I. FOREIGN CURRENCY TRANSACTIONS:**

Transactions in foreign currencies are accounted at functional currency, at the exchange rate prevailing on the date of transactions. Gains / losses arising out of the fluctuations in the exchange rate between functional currency and foreign currency are recognized in the Statement of Profit & Loss in the period in which they arise.

The fluctuations between foreign currency and functional currency relating to monetary items at the year ending are accounted as gains / losses in the Statement of Profit & Loss

## **J. PROVISIONS & CONTINGENCIES:**

Provisions are recognized in the books when there is a present obligation as a result of past events involving substantial degree of estimation and it is probable that there will be an outflow of economic resources. contingent liabilities, if any, are not recognized but are disclosed in the notes.

## **K. FINANCIAL INSTRUMENTS:**

### **Non-Derivative Financial Instruments:**

Non-derivative financial instruments are recognized initially at fair value when the Company becomes a party to the contractual provisions of the instrument.

Dividend and interest income are recognized when earned.

Non-derivative financial instruments consists of

- a) Financial Assets which includes Cash and Cash equivalents, trade receivables, unbilled revenue and eligible current and non-current assets.



- b) Financial Liabilities includes short term and long term borrowings bank overdrafts, trade payables and eligible current and non-current liabilities.

### **Cash and cash equivalents**

Cash and cash equivalents include all cash balances and short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash which are subject to insignificant risk of change in value. Bank overdraft, if any are shown within borrowings in current liabilities in the Balance Sheet.

### **Receivables**

#### **Trade and other receivables**

Receivables are initially recognized at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that those may be impaired, they are reviewed for impairment.

#### **Trade and other payables**

Liabilities are recognized for amounts to be paid in future for goods or services received, Whether billed by the supplier or not.

## **L. EVENTS AFTER THE REPORTING PERIOD**

Adjusting events are events that provide further evidence of condition that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue.



**Note - 2 : Property, plant and equipment**

The changes in the carrying value of Property, Plant & Equipment for the year ended March 31, 2018 are as follows:

Rs.

Asset Description	Gross carrying amount				Accumulated Depreciation and Amortisation				Net carrying amount	
	As at April 1, 2017	Additions / Increase due to valuation	Deletions / Adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation for the year	Deletions	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Building - Own	1,37,14,923	88,64,077	-	2,25,79,000	16,78,844	4,23,224	-	21,02,068	2,04,76,932	1,20,36,079
Plant and Machinery	21,05,895	-	-	21,05,895	21,05,895	-	-	21,05,895	-	-
Furniture and Fixtures	10,48,904	-	-	10,48,904	9,57,172	39,287	-	9,96,459	52,445	91,732
Office Equipment	12,14,140	-	-	12,14,140	9,55,809	1,01,706	-	10,57,515	1,56,625	2,58,331
Vehicles	11,49,340	-	-	11,49,340	9,67,235	21,855	-	9,89,090	1,60,250	1,82,105
Computers	23,05,801	-	-	23,05,801	22,26,847	-	-	22,26,847	78,954	78,954
<b>Total</b>	<b>2,15,39,003</b>	<b>88,64,077</b>	<b>-</b>	<b>3,04,03,080</b>	<b>88,91,802</b>	<b>5,86,072</b>	<b>-</b>	<b>94,77,874</b>	<b>2,09,25,207</b>	<b>1,26,47,201</b>

**Other Intangible Assets**

Rs.

Asset Description	Gross carrying amount				Accumulated Depreciation and Amortisation				Net carrying amount	
	As at April 1, 2017	Additions	Deletions / Adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation for the year	Deletions	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computer Software Acquired	-	1,77,849	-	1,77,849	-	1,408	-	1,408	1,76,441	-
<b>Total</b>	<b>-</b>	<b>1,77,849</b>	<b>-</b>	<b>1,77,849</b>	<b>-</b>	<b>1,408</b>	<b>-</b>	<b>1,408</b>	<b>1,76,441</b>	<b>-</b>

### Property, plant and equipment

The changes in the carrying value of Property, Plant & Equipment for the year ended March 31, 2017 are as follows:

Rs.

Asset Description	Gross carrying amount			Accumulated Depreciation and Amortisation				Net carrying amount	
	Deemed Cost as at April 1, 2016	Additions	Deletions / Adjustments	As at March 31, 2017	As at April 1, 2016	Depreciation for the year	Deletions	As at March 31, 2017	As at March 31, 2016
Building - Own	1,37,14,923	-	-	1,37,14,923	14,62,405	2,16,439	-	16,78,844	1,22,52,518
Plant and Machinery	21,05,895	-	-	21,05,895	21,05,895	-	-	21,05,895	-
Furniture and Fixtures	10,48,904	-	-	10,48,904	9,12,886	44,286	-	9,57,172	1,36,018
Office Equipment	12,14,140	-	-	12,14,140	8,54,103	1,01,706	-	9,55,809	3,60,037
Vehicles	11,49,340	-	-	11,49,340	9,45,380	21,855	-	9,67,235	2,03,960
Computers	23,05,801	-	-	23,05,801	22,26,847	-	-	22,26,847	78,954
<b>Total</b>	<b>2,15,39,003</b>	<b>-</b>	<b>-</b>	<b>2,15,39,003</b>	<b>85,07,516</b>	<b>3,84,286</b>	<b>-</b>	<b>88,91,802</b>	<b>1,30,31,487</b>

### Other Intangible Assets

Rs.

Asset Description	Gross carrying amount			Accumulated Depreciation and Amortisation				Net carrying amount	
	As at April 1, 2017	Additions	Deletions / Adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation for the year	Deletions	As at March 31, 2018	As at March 31, 2017
Computer Software Acquired	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

i) The Company has opted for valuation of Buildings and has carried out independent valuation. The increase of Rs. 88,64,047/- in value of assets is accounted through Other Comprehensive Income and Revaluation Surplus is created accordingly.

ii) In the opinion of the management, Property Plant and Equipment do not have any significant components. Further the life of the component are co-terminus with the life of the assets. As such depreciation has not been separately provided for components during the year.



**Note - 3 : Other Financial Assets - Non Current**

All amounts in INR unless otherwise stated

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
Non-current			
Unsecured, considered good			
Bank Deposits Held for Maturity for more than 12 months *	1,03,95,600	90,88,584	1,28,38,584
Security deposits	4,87,126	5,17,126	63,126
<b>Total other financial assets - non-current</b>	<b>1,08,82,726</b>	<b>96,05,710</b>	<b>1,29,01,710</b>
<b>* Rs.47,26,212/- of the Bank deposits are held as lien for Overdraft</b>			

**Note - 4 : Other Non-Current Assets**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
Balances with government authorities - Tax deducted at Source	7,41,872	7,73,538	21,48,992
<b>Total other non-current assets</b>	<b>7,41,872</b>	<b>7,73,538</b>	<b>21,48,992</b>

**Note - 5 : Inventories**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
Finished goods	20,60,084	20,64,732	17,05,519
<b>Total Inventories</b>	<b>20,60,084</b>	<b>20,64,732</b>	<b>17,05,519</b>

**Note - 6 : Trade Receivables**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
Trade receivables	66,51,681	12,21,234	1,57,419
Less: Write off of bad debts	-	-	-
<b>Total trade receivables</b>	<b>66,51,681</b>	<b>12,21,234</b>	<b>1,57,419</b>
<b>Break-up of security details</b>			
UnSecured, considered good			
For a period Exceeding 6 Months	43,46,646	4,78,036	-
For a period not exceeding 6 Months	24,14,192	7,43,198	1,57,419
Doubtful	1,09,157		
<b>Total</b>	<b>66,51,681</b>	<b>12,21,234</b>	<b>1,57,419</b>
Less: Write off of bad debts	-	-	-
<b>Total trade receivables</b>	<b>66,51,681</b>	<b>12,21,234</b>	<b>1,57,419</b>



**Note - 7 : Cash and Cash Equivalents**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
Balances with banks			
- in current accounts	2,36,881	11,70,368	2,83,302
Cash on hand	6,739	1,30,450	2,215
<b>Total cash and cash equivalents</b>	<b>2,43,620</b>	<b>13,00,818</b>	<b>2,85,517</b>

**Note - 8 : Bank Balances other than above**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
Bank deposits with maturity more than 3 months but less than 12 months *	14,55,210	-	-
* Rs.7,89,687/- held as lien for Overdraft			
<b>Total cash and cash equivalents</b>	<b>14,55,210</b>	<b>-</b>	<b>-</b>

**Note - 9 : Loans - Current**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
Unsecured considered good Loans to employees	94,000	1,97,500	1,80,810
<b>Total loans</b>	<b>94,000</b>	<b>1,97,500</b>	<b>1,80,810</b>

**Note - 10 : Other Financial Assets - Current**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
Unsecured, considered good Security deposits	7,50,000	-	-
Interest Accrued but not due	6,63,051	22,73,686	13,73,189
<b>Total other financial assets - current</b>	<b>14,13,051</b>	<b>22,73,686</b>	<b>13,73,189</b>

**Note - 11 : Other Current Assets**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
<b>Advances other than capital advances Unsecured (Considered good)</b>			
Advances to Suppliers	8,18,500	-	-
Balances with government authorities - Indirect Tax Credits	9,19,405	-	-
Prepaid Expenses	6,58,271	8,18,433	8,15,994
Other Advances	-	8,382	23,623
MAT Credit Entitlement	4,02,455	-	-
<b>Total other current assets</b>	<b>27,98,631</b>	<b>8,26,815</b>	<b>8,39,617</b>



## Note - 12 : Equity Share Capital

### Authorised equity share capital

PARTICULARS	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Authorised equity share capital			
Ordinary Shares of par value of Rs.10/- each number	60,00,000	60,00,000	60,00,000
Amount Rs	6,00,00,000	6,00,00,000	6,00,00,000
Issued, Subscribed and fully paid 42,51,700 Equity Shares of Rs10 each fully paid	4,25,17,000	4,25,17,000	4,25,17,000
Add: Forfeited Shares	24,04,750	24,04,750	24,04,750
<b>As at March 31, 2018</b>	<b>4,49,21,750</b>	<b>4,49,21,750</b>	<b>4,49,21,750</b>

### (i) Reconciliation of number of Shares

PARTICULARS	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Equity Shares outstanding at the begining of the year	42,51,700	42,51,700	42,51,700
Add:			
1. No. of Shares allotted as fully paid up bonus shares during the year	-	-	-
2. No. of Shares allotted during the year as fully paid up pursuant to a contract without payment being received in cash shares during the year	-	-	-
3. No. of Shares allotted to employees pursuant to ESOPs/ ESPs	-	-	-
4. No. of Shares allotted for cash pursuant to public issue.	-	-	-
Less:			
1. No. Of shares bought back during the year	-	-	-
<b>Equity Shares outstanding at the end of the year</b>	<b>42,51,700</b>	<b>42,51,700</b>	<b>42,51,700</b>

### Terms and rights attached to equity shares

1)The Company has one class of equity shares having a par value of INR 10. Each shareholder is eligible for one vote per share held.

2) Forfieted shares represents 9,61,900 equity sahres of Rs. 10/- each forfieted on 20th June,1988 against which the company has received Rs 2.50 per share.



**(ii) Details of shareholders holding more than 5% shares in the Company**

PARTICULARS	As at 31-Mar-18		As at 31-Mar-17		As at 01-Apr-16	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
(a) D.R Bhote	4,98,275	11.72	8,03,000	18.89	8,03,000	18.89
(b) F.R. Bhote	6,05,650	14.24	6,05,650	14.24	4,05,650	9.54
(c) Kashmira D Bhote	2,30,900	5.43	2,30,900	5.43	2,30,900	5.43
(d) Savio Pinto	2,50,000	5.88	2,50,000	5.88	-	-

**Note - 13 : Reserves and Surplus**

PARTICULARS	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Capital Reserve	37,87,500	37,87,500	37,87,500
Revaluation Surplus	88,64,077	-	-
Securities Premium	32,75,000	32,75,000	32,75,000
Retained earnings	(2,09,27,137)	(2,45,71,644)	(2,46,47,466)
<b>Total reserves and surplus</b>	<b>(50,00,560)</b>	<b>(1,75,09,144)</b>	<b>(1,75,84,966)</b>

**(a) Capital reserve**

PARTICULARS	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Opening balance	37,87,500	37,87,500	37,87,500
Additions during the year	-	-	-
Deductions/Adjustments during the year	-	-	-
<b>Closing balance</b>	<b>37,87,500</b>	<b>37,87,500</b>	<b>37,87,500</b>

**(b) Revaluation reserve**

PARTICULARS	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Opening balance	-	-	-
Additions during the year	88,64,077	-	-
Deductions/Adjustments during the year	-	-	-
<b>Closing balance</b>	<b>88,64,077</b>	<b>-</b>	<b>-</b>

**(c) Securities Premium**

PARTICULARS	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Opening balance	32,75,000	32,75,000	32,75,000
Additions during the year	-	-	-
Deductions/Adjustments during the year	-	-	-
<b>Closing balance</b>	<b>32,75,000</b>	<b>32,75,000</b>	<b>32,75,000</b>



**(d) Retained earnings**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
Opening balance	(2,45,71,644)	(2,46,47,466)	(2,12,06,657)
Net profit for the period	36,44,507	75,822	-
Restatement adjustments	-	-	(34,40,809)
<b>Closing balance</b>	<b>(2,09,27,137)</b>	<b>(2,45,71,644)</b>	<b>(2,46,47,466)</b>

**(I) Equity Share Capital**

<b>PARTICULARS</b>	<b>Note No</b>	<b>Amounts</b>
Balance as at April 1, 2016		4,49,21,750
Changes in equity share capital during the year	12	-
<b>Balance as at March 31, 2017</b>		<b>4,49,21,750</b>
Changes in equity share capital during the year	12	-
<b>Balance as at March 31, 2018</b>		<b>4,49,21,750</b>

**II) Other Equity**

<b>PARTICULARS</b>	<b>Reserves and Surplus</b>				
	<b>Capital Reserve</b>	<b>Revolution Surplus</b>	<b>Securities Premium</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at April 1, 2016</b>	<b>37,87,500</b>	-	<b>32,75,000</b>	<b>(2,46,47,466)</b>	<b>(1,75,84,966)</b>
Profit for the period	-	-	-	75,822	75,822
Other comprehensive income	-	-	-	-	-
<b>Transactions with owners in their capacity as owners</b>	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>37,87,500</b>	-	<b>32,75,000</b>	<b>(2,45,71,644)</b>	<b>(1,75,09,144)</b>
Profit for the period	-	-	-	36,44,507	36,44,507
Other comprehensive income	-	88,64,077	-	-	88,64,077
<b>Transactions with owners in their capacity as owners</b>	-	-	-	-	-
Dividends paid	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>37,87,500</b>	<b>88,64,077</b>	<b>32,75,000</b>	<b>(2,09,27,137)</b>	<b>(50,00,560)</b>

**Note - 14 : Deferred Tax Liability**

The balance comprises temporary differences attributable to:

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
(a) On time Difference of Depreciation			
Opening Balance	(18,19,837)	(17,10,312)	18,96,196
For the Year	2,04,449	(1,09,525)	(36,06,508)
<b>Closing Balance Asset / (Liability)</b>	<b>(16,15,388)</b>	<b>(18,19,837)</b>	<b>(17,10,312)</b>
(b) On time Difference of Gratuity			
Opening Balance	1,78,343	1,36,089	(72,145)
For the Year	7,431	42,254	2,08,234
<b>Closing Balance Asset / (Liability)</b>	<b>1,85,774</b>	<b>1,78,343</b>	<b>1,36,089</b>
(c) On time Difference of Doubtfull debts			
Opening Balance	-	-	-
For the Year	28,108	-	-
<b>Closing Balance Asset / (Liability)</b>	<b>28,108</b>	<b>-</b>	<b>-</b>
<b>(d) Net Deferred to Asset / (Liability)</b>	<b>(14,01,507)</b>	<b>(16,41,494)</b>	<b>(15,74,223)</b>
<b>(e) Adjustment for the year ( (Exp) / Income)</b>	<b>2,39,987</b>	<b>(67,271)</b>	<b>(33,98,274)</b>

**Note - 15 : Other Financial Liabilities - Non Current**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
Deposits- others	1,35,000	1,35,000	1,35,000
<b>Total of Other current financial liabilities</b>	<b>1,35,000</b>	<b>1,35,000</b>	<b>1,35,000</b>

**Note - 16 : Provisions - Non Current**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
Employee Benefit Obligations Gratuity Payable	4,93,057	4,72,531	4,35,560
<b>Total of Provisions - Non Current</b>	<b>4,93,057</b>	<b>4,72,531</b>	<b>4,35,560</b>

**Note - 17 : Current Borrowings**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
<b>Secured</b>			
From Banks			
Bank Overdrafts	13,04,942	-	-
<b>Total current borrowings</b>	<b>13,04,942</b>	<b>-</b>	<b>-</b>

- (i) Bank Overdraft is secured under hypothecation by way of charge on Fixed Deposits of the Company
- (ii) Maturity date - Payable on demand
- (iii) Terms of repayment - Payable on Demand
- (iv) Interest Rate - 8%

**Note - 18 : Trade Payables**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
Trade payables	21,66,213	4,38,808	22,85,236
<b>Total trade payables</b>	<b>21,66,213</b>	<b>4,38,808</b>	<b>22,85,236</b>

**Note - 19 : Other Financial Liabilities - Current**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
Expenses payable	1,15,000	78,525	1,26,682
Others	50,643	80,688	88,730
<b>Total other financial liabilities</b>	<b>1,65,643</b>	<b>1,59,213</b>	<b>2,15,412</b>

**Note - 20 : Provisions - Current**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
Employee Benefit Obligations			
Gratuity Payable	2,28,394	1,28,678	36,971
Provident Fund	3,87,842	3,01,839	4,13,344
<b>Total other current financial liabilities</b>	<b>6,16,236</b>	<b>4,30,517</b>	<b>4,50,315</b>

**Note - 21 : Other Current Liabilities**

<b>PARTICULARS</b>	<b>As at 31-Mar-18</b>	<b>As at 31-Mar-17</b>	<b>As at 01-Apr-16</b>
Provision for income-tax	2,06,793	31,666	-
Statutory dues	10,31,942	1,89,400	1,91,730
<b>Total other current liabilities</b>	<b>12,38,735</b>	<b>2,21,066</b>	<b>1,91,730</b>

**Note - 22 : Revenue from Operations**

<b>PARTICULARS</b>	<b>Year ended 31-Mar-18</b>	<b>Year ended 31-Mar-17</b>
Sale of products	30,06,593	15,88,615
Sale of Services	1,33,92,998	1,68,95,007
Other operating revenue - Exports	15,82,672	8,07,000
<b>Total revenue</b>	<b>1,79,82,263</b>	<b>1,92,90,622</b>

**Note - 23 : Other Income**

<b>PARTICULARS</b>	<b>Year ended 31-Mar-18</b>	<b>Year ended 31-Mar-17</b>
Interest income on deposits with banks	12,27,865	10,57,859
Other non operating income		
1. Rental Income	7,18,752	7,02,405
2. Other Income	89,236	1,97,471
<b>Total other income</b>	<b>20,35,853</b>	<b>19,57,735</b>



**Note - 24 : Changes in inventories of finished goods,  
Stock-in-Trade and work-in-progress**

<b>PARTICULARS</b>	<b>Year ended 31-Mar-18</b>	<b>Year ended 31-Mar-17</b>
Opening balance	20,64,732	17,05,519
Closing Balance	20,60,084	16,96,225
Total Changes in inventories of finished goods, Stock-in-Trade and work-in-progress (A-B)	4,648	9,294

**Note - 25 : Employee benefit Expense**

<b>PARTICULARS</b>	<b>Year ended 31-Mar-18</b>	<b>Year ended 31-Mar-17</b>
Salaries, wages and bonus	41,94,809	42,64,999
Contribution to provident and other funds	4,33,200	3,39,741
Gratuity	2,03,792	1,28,678
Staff welfare expenses	1,30,903	1,43,422
Leave compensation	1,43,209	-
<b>Total employee benefit expense</b>	<b>51,05,913</b>	<b>48,76,840</b>

**Note - 26 : Depreciation and Amortisation Expense**

<b>PARTICULARS</b>	<b>Year ended 31-Mar-18</b>	<b>Year ended 31-Mar-17</b>
Depreciation of property, plant and equipment	5,87,480	3,84,286
<b>Total depreciation and amortisation expense</b>	<b>5,87,480</b>	<b>3,84,286</b>

**Note - 27 : Other Expenses**

<b>PARTICULARS</b>	<b>Year ended 31-Mar-18</b>	<b>Year ended 31-Mar-17</b>
Power and Fuel	2,49,750	2,52,700
Repairs & Maintenance- Vehicles & Others	4,45,555	5,50,095
Repairs & Maintenance - Building	27,337	34,857
Repairs & Maintenance - Plant & Machinery	52,330	2,89,165
Communication Expenses	1,36,114	1,21,889
Rent	2,73,451	-
Rates & Taxes	33,572	1,13,514
Travel & conveyance	1,16,303	1,91,561
Professional charges	2,61,434	2,53,752
Payment to Auditors	1,11,000	68,842
Insurance	51,327	36,688
Selling and marketing expenses	1,70,985	1,82,855
NPR Data charges	50,98,184	96,89,517



Directors' Remuneration	12,18,000	8,81,800
Listing Fees	2,69,370	2,25,120
Distribution charges	13,40,577	-
Subscription & Membership	1,45,000	1,20,041
Office Expenses	69,389	94,042
Provision for doubtful Debts	1,09,157	941
Directors Siting fee	5,000	-
Exhibition Expenses	2,60,494	-
Miscellaneous Expenses	95,281	1,07,518
UID Processing Charges	4,717	25,56,878
<b>Total other expenses</b>	<b>1,05,44,327</b>	<b>1,57,71,775</b>

#### Details of payments to auditors

PARTICULARS	Year ended 31-Mar-18	Year ended 31-Mar-17
Payment to auditors		
As auditors:		
Tax audit fee	80,000	55,275
In other capacities	20,000	10,050
Certification fees	11,000	3,517
<b>Total</b>	<b>1,11,000</b>	<b>68,842</b>

#### Note - 28 : Finance Costs

PARTICULARS	Year ended 31-Mar-18	Year ended 31-Mar-17
Interest and finance charges on financial liabilities calculated	11,878	5,871
Interest on Over Draft	16,977	25,532
<b>Total finance costs</b>	<b>28,855</b>	<b>31,403</b>

#### Note - 29 : Income Tax Expense

PARTICULARS	Year ended 31-Mar-18	Year ended 31-Mar-17
Current tax		
Current tax on profits for the year	7,44,828	31,666
Adjustments for current tax of prior periods	-	-
Total current tax expense	7,44,828	31,666
Deferred tax		
Decrease/(increase) in deferred tax assets	(35,539)	(42,254)
(Decrease)/increase in deferred tax liabilities	(2,04,448)	1,09,525
Total deferred tax expense/(benefit)	(2,39,987)	67,271
Mat Credit Entitlement		
Mat Credit Entitlement for the year	(4,02,455)	
<b>Income tax expense</b>	<b>1,02,386</b>	<b>98,937</b>





## NOTES TO FINANCIAL STATEMENTS 2017-18:

### **NOTE 30: First time adoption of Indian Accounting Standards (Ind AS) - Ind AS 101**

These are the Company's first financial statements prepared in accordance with Ind AS (Refer note 1 on the basis for preparation). The Accounting Policies set out in Note 1 have been applied in preparing the Financial statements for the year ended March 31st 2018, the comparative information presented in these financial statements for the year ended March 31st, 2017 and in the preparation of an Opening Ind AS Balance Sheet as at April 1st, 2016 (The Company's date of transition).

#### **Transition from IGAAP to Ind AS:**

These financial statements, for the year ended March 31, 2018, are the first financial statements prepared by the Company in accordance with Ind AS. For years upto and including the year ended March 31, 2017, the company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of Companies (Accounts) Rules, 2014 and accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) (herein after referred as IGAAP).

The company has prepared Ind AS compliant financial statements for the year ending March 31, 2018. Accordingly, the company has prepared opening Ind AS balance sheet as at April 01, 2016, the company's date of transition to Ind AS in accordance with requirement of Ind AS 101, "First-time Adoption of Indian Accounting Standards". The principal adjustments made by the company in restating its IGAAP financial statements, including the balance sheet as at April 01, 2016 and the balance sheet as at and the Statement of Profit & Loss for the year ended March 31, 2017, are explained in detail in the accompanying reconciliation statement and the basic approach adopted is summarized hereunder:

- i) All assets and liabilities have been classified into financial assets/liabilities and non-financial assets/liabilities.
- ii) The estimates as at April 01, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with IGAAP.
- iii) Ind AS 101 also allows first time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. Accordingly, the company has availed the following exemptions/mandatory exceptions as per Ind AS 101:
  - a) **Deemed Cost for Property, Plant & Equipment and Intangible assets (PPE):** The Company has availed exemption under para D7AA of appendix D to Ind AS 101 which permits a first time adopter to continue with the carrying values as per IGAAP for its PPE as at the date of transition to Ind AS. However, Buildings have been valued at Fair Market value on the basis of an independent valuation carried out on 1st April 2017.
  - b) **Classification & Fair value measurement of financial assets or financial liabilities at initial recognition:** The financial assets and financial liabilities have been classified on the basis of facts existing as at the date of transition to Ind AS.



iv) Adoption of Ind AS has not resulted in any adjustments in the Retained earnings at the date of transition to Ind AS.

**A. Deferred Tax:**

The Company recalculated the deferred tax using balance sheet method as defined under Ind-AS. Accordingly, the deferred tax asset is decreased by Rs. 34.40 Lakhs resulting in deferred tax liability for RS.15.74 Lakhs for the year ended March 31, 2016 and further by Rs.0.58 lakhs as on March 31, 2017. Consequently, the retained earnings have been adjusted accordingly.

**B. Retained Earnings:**

Retained earnings as at April 1, 2016 and as at March 31, 2017 have been adjusted consequent to the above Ind-AS transition adjustments as detailed in following reconciliation table.



## Reconciliation of I GAAP to IND AS Balance Sheet

All amounts in INR

Particulars	Opening Balance Sheet As at 1st April 2016			Balance Sheet as at March 31, 2017		
	I - GAAP	Effect of Transition to IND AS	IND AS	I - GAAP	Effect of Transition to IND AS	IND AS
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	1,30,31,487	-	1,30,31,487	1,26,47,202	-	1,26,47,202
Other Intangible Assets	-	-	-	-	-	-
Financial assets						
(i) Other financial assets	1,29,01,710	-	1,29,01,710	96,05,710	-	96,05,710
Other non-current assets	21,48,992	-	21,48,992	7,73,538	-	7,73,538
<b>Total non-current assets</b>	<b>2,80,82,189</b>	<b>-</b>	<b>2,80,82,189</b>	<b>2,30,26,450</b>	<b>-</b>	<b>2,30,26,450</b>
<b>Current Assets</b>						
Inventories	17,05,519	-	17,05,519	20,64,732	-	20,64,732
Financial assets						
i) Trade receivables	1,57,419	-	1,57,419	12,21,234	-	12,21,234
ii) Cash and cash equivalents	2,85,517	-	2,85,517	13,00,818	-	13,00,818
iii) Other Bank balances	-	-	-	-	-	-
iii) Loans	1,80,810	-	1,80,810	1,97,500	-	1,97,500
iv) Other financial assets	13,73,189	-	13,73,189	22,73,686	-	22,73,686
Other current assets	8,39,617	-	8,39,617	8,26,815	-	8,26,815
<b>Total current assets</b>	<b>45,42,071</b>	<b>-</b>	<b>45,42,071</b>	<b>78,84,785</b>	<b>-</b>	<b>78,84,785</b>
<b>Total Assets</b>	<b>3,26,24,260</b>	<b>-</b>	<b>3,26,24,260</b>	<b>3,09,11,235</b>	<b>-</b>	<b>3,09,11,235</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity share capital	4,49,21,750	-	4,49,21,750	4,49,21,750	-	4,49,21,750
Other equity	(1,41,44,157)	(34,40,809)	(1,75,84,966)	1,40,09,642)	(34,99,502)	(1,75,09,144)
<b>Total equity</b>	<b>3,07,77,593</b>	<b>(34,40,809)</b>	<b>2,73,36,784</b>	<b>2,74,12,606</b>	<b>(34,99,502)</b>	<b>2,74,12,606</b>
<b>Liabilities</b>						
<b>Non-current Liabilities</b>						Deferred tax
Liabilities (net)	(18,66,586)	34,40,809	15,74,223	(18,58,008)	34,99,502	16,41,494
Financial liabilities						
(i) Borrowings	-	-	-	-	-	-
(ii) Other financial liabilities	1,35,000	-	1,35,000	1,35,000	-	1,35,000
Provisions	4,35,560	-	4,35,560	4,72,531	-	4,72,531
<b>Total non-current liabilities</b>	<b>(12,96,026)</b>	<b>34,40,809</b>	<b>21,44,783</b>	<b>22,49,025</b>	<b>34,99,502</b>	<b>22,49,025</b>
<b>Current liabilities</b>						
Financial liabilities						
(i) Borrowings	-	-	-	-	-	-
(ii) Trade payables	22,85,236	-	22,85,236	4,38,808	-	4,38,808
(iii) Other financial liabilities	2,15,412	-	2,15,412	1,59,213	-	1,59,213
Provisions	4,50,315	-	4,50,315	4,30,517	-	4,30,517
Other current liabilities	1,91,730	-	1,91,730	2,21,066	-	2,21,066
<b>Total current liabilities</b>	<b>31,42,693</b>	<b>-</b>	<b>31,42,693</b>	<b>12,49,604</b>	<b>-</b>	<b>12,49,604</b>
<b>Total liabilities</b>	<b>18,46,667</b>	<b>34,40,809</b>	<b>52,87,476</b>	<b>34,98,629</b>	<b>34,99,502</b>	<b>34,98,629</b>
<b>Total equity and liabilities</b>	<b>3,26,24,260</b>	<b>-</b>	<b>3,26,24,260</b>	<b>3,09,11,235</b>	<b>-</b>	<b>3,09,11,235</b>



### Note No.31 : Income Tax

A reconciliation of the Income Tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarized as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Profit before tax	37,46,893	1,74,759
Enacted Tax rates for the financial year (MAT)	19.055%	19.055%
Expected tax expense (A)	7,13,970	31,666
Tax affect on allowable items (B)	-	-
Tax affect on disallowable items (C)	30,858	-
Tax on incomes chargeable under other heads (D)	-	-
Provision for income tax for the current year (A+B+C+D)	7,44,828	31,666
MAT Credit Entitlement	(4,02,455)	-
Deferred tax for the year	37,833	8,578
Net tax expense for the year	3,80,206	40,244

### Note No.32 : Employee Benefits

a) **Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to registered Provident fund administered by Central Government. The contribution of Rs 4,03,279/- (Previous year Rs.3,32,847) including administrative charges is recognized as expense and is charged in the Statement of Profit and Loss. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligations.

b) **Gratuity:** Gratuity is non funded Defined Benefit Plan payable to the qualifying employees on separation.

Company provides for gratuity for employees based on the present value of the Defined Benefit obligation and the related current service costs which are measured on actuarial valuation carried out as on Balance Sheet date. The liability has been assessed using Projected Unit Credit Method.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as at the year ended March 31, 2018 are as follows.

(Amount in Rs.)

I. Change in Benefit obligation :	As at March 31, 2018	As at March 31, 2017
Present value of obligation as at the beginning	6,01,209	6,48,542
a) Interest Cost	48,097	26,930
b) Current Service Cost	32,316	51,883
c) Benefits paid	-	-
d) Actuarial (gain) / loss	39,829	(1,26,146)
<b>Present value of obligation at the end of the period</b>	<b>7,21,451</b>	<b>6,01,209</b>



(Amount in Rs.)

II. Expenses recognized in the Statement of Profit & Loss :	As at March 31, 2018	As at March 31, 2017
a) Current service Cost	32,316	51,883
b) Interest Cost	48,097	26,930
c) Expected return on Plan Assets	-	-
d) Net Actuarial (gain)/loss recognized in the period	39,829	(1,26,146)
<b>Expenses recognized in the statement of Profit &amp; Loss</b>	<b>1,20,242</b>	<b>78,813</b>

III. Amounts recognized in the Balance Sheet	As at March 31, 2018	As at March 31, 2017
a) Present value of Obligation as at the end of the period	7,21,451	6,01,209
b) Fair value of Plan Assets at the end of the period	-	-
c) Funded Status	-	-
d) Liability recognized in Balance Sheet	7,21,451	6,01,209
Current Liability	2,28,394	51,103
<b>Non Current Liability</b>	<b>4,93,057</b>	<b>5,50,106</b>

IV. Principal Assumptions	As at March 31, 2018	As at March 31, 2017
a) Discounting Rate	8%	8%
b) Salary Escalation Rate	10%	10%
c) Attrition Rate	8.50%	8.50%

The estimates of future salary increase considered in actuarial valuation, have been factored in inflation, seniority, promotion and other relevant factors.

The actuarial assumption for salary rise is 10 % (Previous Year 10%) and discount rate is 8% (Previous Year 8%).

V. Sensitivity of Present value of obligation	Defined Benefit Obligation	% Change
Scenario		
1 Under Base Secenario	7,21,451	-
2 Salary Escalation – Up by 1%	25,28,075	250.42%
3 Salary Escalation – Down by 1%	22,94,577	218.05%
4 Withdrawal Rates – Up by 1%	24,21,705	235.67%
5 Withdrawal Rates – Down by 1%	23,95,166	231.99%
6 Discount Rates – Up by 1%	22,39,523	210.42%
7 Discount Rates – Down by 1%	26,07,218	261.39%



### Note 33: Related Party Disclosures

(i) Parties with whom company had transactions - NIL

(ii) Key management personnel

a) Mr. F.R. Bhote, Managing Director

b) Mr. Vinay Vir, Director

(iii) Remuneration to Key Management Personnel – Rs. 12.18 Lakhs (Previous year Rs.8.82 Lakhs) as detailed below:

Name of the Key Management Personnel	Position Held	Salary	Contribution to PF	Total
Mr. F.R. Bhote	Managing Director	12.18 (8.82)	1.03 (0.55)	13.21 (9.37)

### Note 34: Earnings per Share

(a) Earnings per share is calculated as shown below:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Numerator :</b> Net Profit after tax as per Statement of Profit and Loss	Rs. 36,44,507	Rs. 1,34,515
<b>Denominator :</b> Number of equity shares	42,51,700 Nos	42,51,700 Nos
Number of equity shares allotted during the year	NIL	NIL
Weighted average number of equity shares for calculation of earnings per share (Basic & Diluted)	42,51,700 Nos	42,51,700 Nos
Nominal value of equity share	Rs. 10/-	Rs. 10/-
Earnings per share (Basic & Diluted)	Rs. 0.86	Rs. 0.03

### Note 35: Segment Reporting

The Company has only one segment i.e Software. It has identified India and Global as geographic segments.

Revenue from geographic segments	As at March 31, 2018	As at March 31, 2017
India	1,63,99,591	1,84,83,622
Global	15,82,672	8,07,000

**Note 36: Earnings in Foreign Currency**

Earnings in Foreign Currency	As at March 31, 2018	As at March 31, 2017
Software services	15,82,672	8,07,000

**Note 37: Foreign Currency outgo**

Foreign Currency outgo	As at March 31, 2018	As at March 31, 2017
Exhibition Expenses	2,60,494	8,07,000

**Note 38: Financial Instruments - Fair Values and Risk Management****Fair Value Measurements:**

Financial Instruments by Categories, its carrying value and Fair value

(Rs.)

As at 31 March, 2018					
Particulars	Amortized cost	FVTPL	FVTOCI	Carrying value	Total fair value as of March 31, 2018
<b>Assets:</b>					
Cash & Cash Equivalents	2,43,620	-	-	2,43,620	2,43,620
Bank balances	1,18,50,810			1,18,50,810	1,18,50,810
Trade Receivable	66,51,681	-	-	66,51,681	66,51,681
Loans	94,000	-	-	94,000	94,000
Other Financial Assets	19,00,177	-	-	19,00,177	19,00,177
<b>Liabilities:</b>					
Trade Payable	21,66,213	-	-	21,66,213	21,66,213
Borrowings	13,04,942	-	-	13,04,942	13,04,942
Other Financial Liabilities	1,65,643	-	-	1,65,643	1,65,643



(Rs.)

As at 31 March, 2017					
Particulars	Amortized cost	FVTPL	FVTOCI	Carrying value	Total fair value as of March 31, 2017
<b>Assets:</b>					
Cash & Cash Equivalents	13,00,818	-	-	13,00,818	13,00,818
Bank balances	90,88,584			90,88,584	90,88,584
Trade Receivable	12,21,234	-	-	12,21,234	12,21,234
Loans	1,97,500	-	-	1,97,500	1,97,500
Other Financial Assets	27,90,812	-	-	27,90,812	27,90,812
<b>Liabilities:</b>					
Trade Payable	4,38,808	-	-	4,38,808	4,38,808
Borrowings	-	-	-	-	-
Other Financial Liabilities	1,59,213	-	-	1,59,213	1,59,213

(Rs.)

As at 31 April, 2016					
Particulars	Amortized cost	FVTPL	FVTOCI	Carrying value	Total fair value as of March 31, 2017
<b>Assets:</b>					
Cash & Cash Equivalents	2,85,517	-	-	2,85,517	2,85,517
Bank balances	1,28,38,584	-	-	1,28,38,584	1,28,38,584
Trade Receivable	1,57,419	-	-	1,57,419	1,57,419
Loans	1,80,810	-	-	1,80,810	1,80,810
Other Financial Assets	14,36,315	-	-	14,36,315	14,36,315
<b>Liabilities:</b>					
Trade Payable	22,85,236	-	-	22,85,236	22,85,236
Borrowings	-	-	-	-	-
Other Financial Liabilities	2,15,412	-	-	2,15,412	2,15,412





The carrying amounts of above Financial Assets and Liabilities are considered to be same (except in case of investments, other than joint venture investment) as their fair values due to the nature of the contractual obligations.

### Fair Value Hierarchy

Management considers that, the carrying amount of those financial assets and financial liabilities that are not subsequently measured at fair value in the Financial Statements approximate their transaction value. No financial instruments are recognized and measured at fair value for which fair values are determined using the judgments and estimates. The fair value of Financial Instruments referred below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities. (Level-1 measurements) and lowest priority to unobservable (Level-3 measurements). The categories used are as follows:

- **Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- **Level 2** - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy as at March 31, 2018: (Rs)

Particulars	As at March 31, 2018	Fair value measurement at end of the reporting period / year		
		Level 1	Level 3	Level 3
<b>Financial Assets</b>				
Loans to Employees	94,000	-	-	94,000
Other Financial Assets	19,00,177			19,00,177
<b>Financial Liabilities</b>				
Borrowings	13,04,942	-	-	13,04,942
Trade Payables	21,66,213	-	-	21,66,213
others	1,65,643	-	-	1,65,643

The following table presents fair value hierarchy as at March 31, 2017: (Rs. Lakhs)

Particulars	As at March 31, 2017	Fair value measurement at end of the reporting period / year		
		Level 1	Level 3	Level 3
<b>Financial Assets</b>				
Loans to Employees	1,97,500	-	-	1,97,500
Other Financial Assets	27,90,812	-	-	27,90,812
<b>Financial Liabilities</b>				
Trade Payables	4,38,808	-	-	4,38,808
Others	1,59,213	-	-	1,59,213



The following table presents fair value hierarchy as at April 01, 2016:

(Rs)

Particulars	As at April 01, 2016	Fair value measurement at end of the reporting period / year		
		Level 1	Level 3	Level 3
<b>Financial Assets</b>				
Loans to Employees	1,80,810	-	-	1,80,810
Other Financial Assets	14,36,315	-	-	14,36,315
<b>Financial Liabilities</b>				
Trade Payables	22,85,236	-	-	22,85,236
Others	2,15,412	-	-	2,15,412

### Valuation Process:

For Level-3 financial instruments, the fair values have been determined by applying the Net Book value method.

The carrying amounts of receivables, payables, bank balances and cash and cash equivalents are considered to be same as their fair value due to their contractual obligations.

For Financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### Financial Risk Management:

The Company's activities expose to a variety of financial risks viz., market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is credit risk and liquidity risk. The Company's exposure to credit risk is influenced mainly by, dealings with Government and Government agencies being the top customers.

#### a. Management of Market Risk:

Market risks comprises of Price risk and Interest rate risk. The Company does not designate any fixed rate financial assets as fair value through Profit and Loss nor at fair value through OCI. Therefore, the Company is not exposed to any interest rate risk. Similarly, the Company does not have any Financial Instrument which is exposed to change in price.

#### b. Foreign Currency Risks:

The Company is exposed to foreign exchange risk arising from various Currency exposures primarily with respect to the US Dollars (USD) for the services rendered by the Company to foreign customers.

The Company exposure to foreign currency risk as at the end of the reporting period expressed in INR as on March 31, 2018 is as follows:



(Amount Rs)

Particulars	US Dollars	Total
<b>Financial Assets :</b>		
Trade Receivable	11,992	7,68,037
Less: Currency Forwards	-	-
Net Exposure to foreign currency risk (liabilities)	11,992	7,68,037

Increase/(Decrease) to profit before tax for changes of 5% against INR :

Strengthened	38,305
Weakened	38,443

The foreign currency risks from non financial assets as of March 31, 2017 were as follows:  
(Amount Rs)

Particulars	US Dollars	Total
<b>Financial Assets :</b>		
Trade Receivable	-	-
Less: Currency Forwards	-	-
Net Exposure to foreign currency risk (liabilities)	-	-

Increase/(Decrease) to profit before tax for changes of 5% against INR :

Strengthened	-	-
Weakened	-	-

The foreign currency risks from non financial assets as at April 01, 2016 were as follows:  
(Amount Rs)

Particulars	US Dollars	Total
<b>Financial Assets :</b>		
Trade Receivable	-	-
Less: Currency Forwards	-	-
Net Exposure to foreign currency risk (liabilities)	-	-

Increase/(Decrease) to profit before tax for changes of 5% against INR :

Strengthened	-	-
Weakened	-	-

### c. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or a counter party fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables.

As most of the trade receivables are from regular parties, they are considered as credit worthy up to the period of three years past due excluding the current year. Subsequently, they are



considered credit impaired, unless the amount is considered receivable. If the recoverability is considered doubtful based on the review, the required allowance for impairment is being provided in the books. The company considers that, all the financial assets that are not impaired and past due as on each reporting dates under review are considered credit worthy.

### Credit risk exposure

An analysis of age-wise trade receivables at each reporting date is summarized as follows:

For the year ended March 31, 2018:

(Rs.)

Particulars	Less than 1 year	Between 2 to 4 years	More than 4 Years	Total Rs.
Gross Carrying amount	57,22,126	10,38,712	-	67,60,838
Expected credit loss (Loss allowance provision)	(57,221)	(51,936)	-	(1,09,157)
Carrying amount (net of impairment)	56,64,905	9,86,776	-	66,51,681

For the year ended March 31, 2017:

(Rs.)

Particulars	Less than 1 year	Between 2 to 4 years	More than 4 Years	Total Rs.
Gross Carrying amount	9,27,006	2,94,228	-	12,21,234
Expected credit loss (Loss allowance provision)	-	-	-	-
Carrying amount (net of impairment)	9,27,006	2,94,228	-	12,21,234

As at April 01, 2016:

(Rs.)

Particulars	Less than 1 year	Between 2 to 4 years	More than 4 Years	Total Rs.
Gross Carrying amount	1,57,418	-	-	1,57,418
Expected credit loss (Loss allowance provision)	-	-	-	-
Carrying amount (net of impairment)	1,57,418	-	-	1,57,418

### d. Liquidity Risk:

The company's liquidity needs are monitored on the basis of monthly projections. The principal sources of liquidity are cash and cash equivalents, cash generated from operations and availability of cash credit and overdraft facilities to meet the obligations as and when due.

Short term liquidity requirements consist mainly of sundry creditors, expenses payable and employee dues during the normal course of business. The company maintains sufficient



balance in cash and cash equivalents and working capital facilities to meet the short term liquidity requirements.

The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals and committed credit lines.

The following table shows the maturity analysis of the Companies Financial Liabilities based on contractually agreed, undiscounted cash flows as at the balance sheet date.

(Rs.)

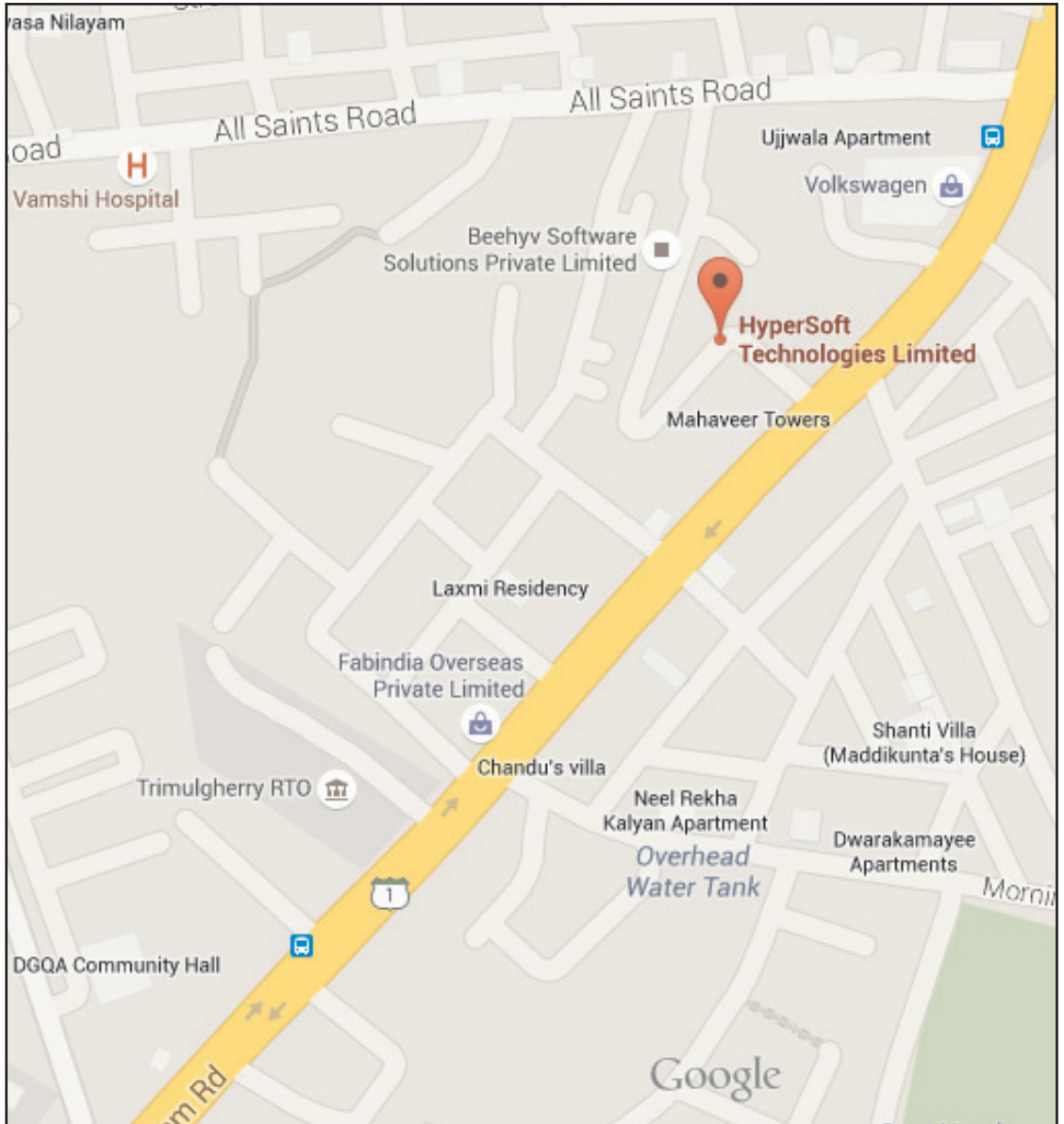
Particulars	Carrying Amount	<12 months	>12 months	Total
<b>As on March 31, 2018</b>				
Trade Payables	21,66,213	21,66,213	-	21,66,213
Other Financial Liabilities	3,00,643	1,65,643	1,35,000	3,00,643
<b>As on March 31, 2017</b>				
Trade Payables	4,38,808	4,38,808	-	4,38,808
Other Financial Liabilities	2,94,213	1,59,213	1,35,000	2,94,213
<b>As on April 01, 2016</b>				
Trade Payables	22,85,236	22,85,236	-	22,85,236
Other Financial Liabilities	3,50,412	2,15,412	1,35,000	3,50,412

#### NOTE 39: OTHERS

- i. On account of complexities involved in realization of debts in few instances, the Company has made a provision of Rs.1.09 Lakh during the current year towards provision for doubtful debts. ii. Previous year's figures have been regrouped / reclassified / recasted wherever necessary to confirm to the current year's presentation.
- iii. In the opinion of the Board of Directors, the Company does not have any impaired assets.
- iv. Trade payables to Micro, Small, Medium Enterprises has been identified based on information available with the company. This has been relied upon by the auditor.
- v. Balances of Sundry Debtors, Creditors and loans and advances are as per books, subject to confirmation.
- vi. Amounts in the financial statements are presented in Rupees. All figures have been rounded to the nearest Rupee.



## ROUTE MAP





## Form No. MGT-11

### Proxy form

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

CIN : L29309TG1983PLC003912  
Name of the company : **HYPERSOFT TECHNOLOGIES LIMITED**  
Registered office : 28, Goyal Society, Moti Valley, Tirmulgherry,  
Secunderabad – 500 015

Name of the member (s) :

Registered address :

E-mail Id:

Folio No/ Client Id :

DP ID :

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

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

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

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



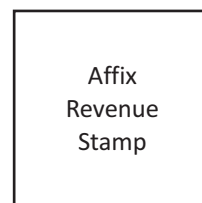
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual general meeting of the company, to be held on Friday, the 28<sup>th</sup> September, 2018 at 3:00 P.M. at the Registered office of the Company at 28, Goyal Society, Moti Valley, Tirmulgerry, Secunderabad – 500015, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below :

Sl. No.	Resolutions	For	Against
1.	<b>Ordinary Business</b> To receive, consider and adopt the Audited Balance Sheet as at 31 <sup>st</sup> March, 2018 and Profit & Loss Statement for the year ended on 31 <sup>st</sup> March, 2018 together with notes and annexures thereto and the Report of Directors' and Auditors' thereon.		
2.	To re-appoint Mrs. Geeta Feroz Bhote, Woman Director who retires by rotation and being eligible, offers himself for re-appointment		
3.	To ratify appointment of M/s. Grandhy & Co, Chartered Accountants as the Statutory Auditors of the Company		
	<b>Special Business</b>		
4.	To appoint Mr. Joydip Lahiri (DIN: 07385700) as Independent Director		

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

Signature of shareholder

Signature of Proxy holder(s)



**Note:**

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





## **HYPERSOFT TECHNOLOGIES LIMITED**

### **Registered Office:**

Registered Office, 28, Goyal Society, Moti Valley,  
Tirmulgherry, Secunderabad – 500015, Telangana

Email: [info@hypersoftindia.com](mailto:info@hypersoftindia.com), Website: [www.hypersoftindia.com](http://www.hypersoftindia.com)

CIN: L29309TG1983PLC003912

### **Attendance Slip for 35<sup>th</sup> Annual General Meeting**

(To be handed over at the registration counter)

Folio No./DPID & Client ID:

Name of the member / proxy :

Signature

Number of Shares:

Address:

I/We hereby record my/our presence at the 35<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 28<sup>th</sup> September, 2018 at 3:00 PM at the Registered office of the Company at 28, Goyal Society, Moti Valley, Tirmulgherry, Secunderabad – 500015, Telangana.





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*If undelivered please return to :*

**HyperSoft Technologies Limited**

28, Goyal Society, Moti Valley,

Tirmulgherry, Secunderabad- 500 015 Telangana, INDIA