



---

| <b>Contents</b>                | <b>Page No</b> |
|--------------------------------|----------------|
| Notice                         | 2              |
| Directors' Report              | 10             |
| Report on Corporate Governance | 34             |
| Report of the Auditors         | 44             |
| Balance Sheet                  | 51             |
| Profit & Loss Statement        | 52             |
| Cash Flow Statement            | 53             |
| Notes on Accounts              | 54             |
| Route Map                      | 63             |
| MGT-11 (Proxy Form)            | 65             |

---





## **HYPERSOFT TECHNOLOGIES LIMITED**

### **BOARD OF DIRECTORS**

**Mr. F. R. Bhote**  
Managing Director

**Mr. Vinay Vir**  
Independent Director

**Mrs. Geeta Feroz Bhote**  
Director

**Mr. Premanshu Rana**  
Independent Director  
(w.e.f 10th August, 2017)

**Mr. N. Gowrishankar**  
Independent Director  
(Upto 29th January, 2017)

**Mr. K. S. Hanumaiah**  
Whole-time Director  
(Upto 29th January, 2017)

**Mr. Aashay Harshe**  
Independent Director  
(From 30th Jan, 2017 to 9th August, 2017)

### **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**

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

**Mumbai**  
**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. Ramanatham & Rao**  
Chartered Accountants, Secunderabad

### **BANKERS**

**HDFC Bank Limited**  
**Oriental Bank of Commerce**

### **LISTING**

BSE Limited  
The Ahmedabad Stock Exchange Ltd  
The Pune Stock Exchange Ltd  
(Derecognised from 13th April, 2015)



## NOTICE

Notice is hereby given that the 34th Annual General Meeting of the members of **M/s. Hypersoft Technologies Limited (L29309TG1983PLC003912 )** will be held on Thursday, the **28th day of September, 2017 at 4.00 p.m** at the Registered office of the Company at 28, Goyal Society, Moti Valley, Tirmulgherry, Secunderabad – 500015, Telangana, India to transact the following business:

### **Ordinary Business:**

- 1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017 and Profit & Loss Statement for the year ended on 31st March, 2017 together with notes and annexures thereto and the Report of Directors' and Auditors' thereon**

“RESOLVED THAT the Audited Balance Sheet as at 31st March, 2017 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 Mr. F. R Bhote, Managing Director who retires by rotation and being eligible, offers himself for re-appointment**

“RESOLVED THAT Mr. F. R. Bhote who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a Director of the Company.”

- 3. To appoint Statutory Auditors of the Company**

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

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, Grandhy & Co, Chartered Accountants (Firm Registration No. 001007S), be and is hereby appointed as Statutory Auditors of the Company in place of the retiring auditors M/s. Ramanatham & Rao, Chartered Accountants (Firm Registration Number 002934S), to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the 39th AGM, subject to ratification of their appointment at every AGM, at such remuneration including applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

### **Special Business:**

- 4. To appoint Mr. Premanshu Rana (DIN: 02303368) as Independent Director**

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



“RESOLVED THAT Mr. Premanshu Rana (DIN: 02303368), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 10th August, 2017 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 as 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. Premanshu Rana, 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 10th August, 2017 up to 9th August, 2022 and who is not liable to retire by rotation, be and is hereby approved”.

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

Place: Secunderabad

**(F. R. Bhote)**

Date: 10th August, 2017

Managing Director

DIN: 00156590



## 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 34th 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 24th September, 2017 to 28th September, 2017 (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 2016-2017 is being sent to all the members whose email addresses are registered with the Company/Depository Participants(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 34th Annual General Meeting and the Annual Report for 2016 – 2017 will also be available on the Company's website Website: [www.hypersoftindia.com](http://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](mailto: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 34th 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](http://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](http://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 phyPsical 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 9.00 a.m on 25th September, 2017 and ends on 5.00 p.m. on 27th September 2017. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September, 2017 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. Premanshu Rana (DIN: 02303368), was appointed as an Additional Director of the Company with effect from 10th August, 2017, pursuant to Section 161 of the Act and Articles of Association of the Company. Mr. Premanshu Rana 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. Premanshu Rana for the office of Director at the forthcoming AGM.

Mr. Premanshu Rana (DIN: 02303368) holds Bachelor's Degree in Commerce from State University of Karnataka and he had a rich and varied experience in various fields of business activities of more than 15 years.

Brief information and experience of Mr. Premanshu Rana as per the provisions of the Act readwith Secretarial Standards issued by Institute of Company Secretaries of India:

|   |  |
|---|--|
| Name  | <b>Mr. Premanshu Rana</b>  |
| Age   | 37 Years   |
| Qualifications  | Bachelor of Commerce   |
| Experience  | More than 15 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  | 10th August, 2017  |
| Shareholding in the Company   | Nil  |
| Relationship with other Directors/Manager or Key Managerial Personnel                       | Nil  |
| Number of Board Meetings attended during the year   | Nil  |
| Other Directorships and Memberships/ Chairmanship of Committees of other Boards             | 1. Fort Rock Investment Company Limited<br>2. Incotel Software Solutions (Opc) Private limited<br>3. Skybull Shares & Securities Private limited<br>4. SOV Securities Services 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. Premanshu Rana 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 |
|----------------------|---------------------|-----------------------------------|------------|--|---|---|
| Mr. F .R. Bhote      | 18-04-1983          | Master Degree in Computer Science | 14-07-1956 | Computer Software                      | CIL Securities Limited  | 605650  |

Place: Secunderabad  
Date: 10th August, 2017

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 34th Annual Report and the Financial Results for the year ended on 31st March, 2017.

### 1. Financial Results:

(Rs. in Lacs)

| Particulars                                | 2016-2017     | 2015-2016     |
|--|---------------|---------------|
| Income from operations                     | 192.91        | 286.81        |
| Other Income                               | 19.57         | 23.38         |
| Total Income                               | 212.48        | 310.19        |
| Total Expenditure excluding depreciation   | 206.89        | 303.62        |
| Depreciation                               | 3.84          | 3.84          |
| <b>Total Expenditure</b>                   | <b>210.73</b> | <b>307.46</b> |
| <b>Net Profit / (Loss) before Taxation</b> | <b>1.75</b>   | <b>2.73</b>   |
| Provision for Taxation                     | (0.32)        | (0.52)        |
| Deferred Tax                               | (0.09)        | 0.43          |
| <b>Net Profit / (Loss) after Taxation</b>  | <b>1.34</b>   | <b>2.64</b>   |

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

#### Industry Structure and developments:

The mobile app revolution is taking place and with India having the second largest user base behind China, it is reckoned that the consumer interest in mobile apps is growing at a rapid pace.

With the exponential growth of apps and the Make in India programme of the Government of India, it is estimated that of the 500 million Indians on the Internet, a large portion of them will be mobile-only.

A study published by Indian Council for Research on International Economic Relations (ICRIER) and Internet and Mobile Association of India (IAMAI), titled "An Inquiry Into The Impact Of India's App Economy" estimates the size of India's app economy at Rs 1,964 crore by 2016. As per estimates, there are roughly three lakh app developers in India.

Business Wire ( A Berkshire Hathaway Company ) expects the Global Mobile Applications Market is poised to grow at a CAGR of around 29.2% over the next decade to reach approximately \$1.3 trillion by 2025.



### **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. 212.48 Lakhs as against Rs.310.19 Lakhs for the previous year and incurred a profit of Rs. 1.34 Lakhs as against a profit of Rs. 2.64 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 2016-17.



#### **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 31st March, 2017 and the date of this report.

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

The Board of Directors met 6 (Six) times during this financial year on 6th April, 2016, 27th May, 2016, 27th July, 2016, 28th October, 2016, 30th January, 2017 and 16th February, 2017.

#### **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 MGT 9 as a part of this Annual Report (**Annexure-I**).

#### **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, 2017, the Board consists of 4 (four) members, one of whom is executive, one is non-executive and 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 2016-17:

- 1) Appointment of Mr. Aashay Harshe as Additional Director (Independent) of the Company w.e.f. 30th January, 2017.
- 2) Resignation of Mr. K.S. Hanumaiah as a Whole time Director of the Company w.e.f. 30th January, 2017.
- 3) Resignation of Mr. Gowrishankar Narayanaswamy as Independent Director of the Company w.e.f. 30th January, 2017.
- 4) Resignation of Ms. Khushboo Joshi as Whole-time Company Secretary of the Company w.e.f. 30th January, 2017.
- 5) Appointment of Ms. Gumpena Naga Jyothi s Whole-time Company Secretary of the Company w.e.f. 16th February, 2017.



The following changes took place in the composition of the Board of Directors after the closure of financial year 2016-2017:

- 6) Appointment of Mr. Premanshu Rana as Additional Director (Independent) of the Company w.e.f. 10th August, 2017.
- 7) Resignation of Mr. Aashay Harshe as Independent Director of the Company w.e.f. 10th August, 2017.

#### **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, 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 on our business.
- **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. Counterparty 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**

M/s. Ramanatham & Rao, Chartered Accountants (Firm Registration Number 002934S), have completed a term of ten years and cooling period of three years from the commencement of Companies Act, 2013. Their term as auditors is up to the conclusion of the forthcoming AGM. In accordance with the provisions of Section 139 of the Act, Grandhy & Co, Chartered Accountants (Firm Registration No. 001007S), are proposed to be appointed as Statutory auditors for a period of 5 years commencing from the conclusion of this AGM till the conclusion of the 39th AGM, subject to ratification of their appointment at every AGM, if so required under the Act.

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 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules thereunder.

The secretarial audit report for financial year 2016-17 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 1st April, 2016 to 31st March, 2017, 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 2016-2017.

## **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 2016-17, 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):**

##### **1. 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.

##### **2. 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.

##### **3. 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.

##### **4. 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:**

| <b>Particulars</b>        | <b>2016-2017 (in Rs.)</b> | <b>2015-2016 (in Rs.)</b> |
|---------------------------|---------------------------|---------------------------|
| Foreign Exchange Earnings | 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.

Place: Secunderabad  
Date: 10th August, 2017

For and on behalf of Board of Directors

**(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 2016-2017

| Sl. No. | Name of Director   | Designation         | Ratio of remuneration of each Director to median remuneration of Employees |
|---------|--------------------|---------------------|--|
| 1.      | Mr. F.R.Bhote      | Managing Director   | 1.89   |
| 2.      | Mr. K.S. Hanumaiah | Whole Time Director | 0.73   |

2. Percentage increase in remuneration of each director and CFO in the financial year 2016-2017

| Sl. No. | Name of Director / CFO                               | Designation         | % increase in Remuneration in the Financial Year 2016-2017 |
|---------|--|---------------------|--|
| 1.      | Mr. F.R.Bhote  | Managing Director   | Nil  |
| 2.      | Mr. K.S.Hanumaiah                                    | Whole Time Director | Nil  |
| 3.      | Mr. S. Khudaventh                                    | CFO                 | 6  |
| 4.      | Ms. Khushboo Joshi<br>(Upto 30th January, 2017)      | Company Secretary   | Nil  |
| 5.      | Ms. Gumpena Nagajyothi<br>(From 16th February, 2017) | Company Secretary   | NA   |

3. The percentage increase in the median remuneration of employees in the financial year 2016-2017 was 6%

4. There are 12 (Twelve) 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 2016-17 | 17,48,000/-   |
| Total Revenue of the Company in FY 2016-17                       | 2,12,48,357/- |
| Remuneration of KMP (as % of revenue)                            | 8.23          |

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 6.00% whereas the increase in the managerial remuneration was NIL

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

| Particulars  | Managing Director | Whole time Director | CFO         | CS          |
|--|-------------------|---------------------|-------------|-------------|
| Remuneration of Key Managerial Personnel in FY 2016-17 | 6,36,000          | 2,45,800            | 5,08,800    | 3,57,400    |
| Total Revenue of the Company in FY 2016-17             | 2,12,48,357       | 2,12,48,357         | 2,12,48,357 | 2,12,48,357 |
| Remuneration of KMP (as % of revenue)                  | 2.99              | 1.16                | 2.39        | 1.68        |

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.

Place: Secunderabad  
Date: 10th August, 2017

For and on behalf of Board of Directors

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

(Vinay Vir)  
Director  
DIN: 02378210



## Annexure I to Director's Report

Form No.MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017

[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   | 18th April, 1983  |
| iii | Name of the Company   | Hypersoft Technologies Limited  |
| iv  | Category/Sub-category of the Company  | Company Limited By Shares   |
| v   | Address of the Registered office & contact details                          | 28, Goyal Society , Moti Valley,<br>Tirumlgerry ,Secunderabad,<br>Telangana-500015  |
| vi  | Whether listed company  | Yes   |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any. | CIL Securities Ltd<br>214, Raghava Ratna Towers, Chirag Ali<br>Lane, Abids, Hyd -500001.<br>Tel. # 040-23202465, 23203155<br>Fax # (040) 23203028, 66661267<br>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<br>Group - 620<br>Class - 6201<br>Sub-class - 62013 | 87.58                              |

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

| Sl. No | Name & Address of the Company | CIN/GLN | HOLDING/<br>SUBSIDIARY/<br>ASSOCIATE | % OF<br>SHARES<br>HELD | APPLICABLE<br>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-2016] |              |                |                   | % 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             | 1767400   | 20900        | 1788300        | 42.06             | -                        |
| 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>1767400</b>  | <b>20900</b> | <b>1788300</b> | <b>42.06</b>      | <b>-</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-2016] |                |                |                   | % 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             | 267742  | 329900         | 597642         | 14.06             | (0.18)                   |
| Indian   | -   | -             | -              | -                 | -   | -              | -              | -                 | -                        |
| ii) Overseas   | -   | -             | -              | -                 | -   | -              | -              | -                 | -                        |
| b) Individuals   | -   | -             | -              | -                 | -   | -              | -              | -                 | -                        |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 281598  | 413100        | 694698         | 16.35             | 285409  | 419100         | 704509         | 16.57             | (0.22)                   |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 720272  | 317400        | 1037672        | 24.41             | 224549  | 773400         | 997949         | 23.47             | 0.94                     |
| c) Others (specify)  |   |               |                |                   |   |                |                |                   |                          |
| Non Resident Indians   | 120090  | -             | 120090         | 2.82              | -   | 120000         | 120000         | 2.82              |                          |
| Overseas Corporate Bodies  |   |               |                |                   |   |                |                |                   |                          |
| Foreign Nationals  |   |               |                |                   |   |                |                |                   |                          |
| Clearing Members   | -   | -             | -              | -                 | -   | -              | -              | -                 | -                        |
| Trusts   | -   | -             | -              | -                 | -   | -              | -              | -                 | -                        |
| Foreign Bodies   | -   | -             | -              | -                 | -   | -              | -              | -                 | -                        |
| Directors/Relatives  | 20750   | -             | 20750          | 0.48              | 43300   | -              | 43300          | 1.02              | (0.54)                   |
| <b>Sub-total (B)(2):-</b>  | <b>1505200</b>  | <b>958200</b> | <b>2463400</b> | <b>57.94</b>      | <b>821000</b>   | <b>1642400</b> | <b>2463400</b> | <b>57.94</b>      | <b>-</b>                 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)                                     | 1505200   | 958200        | 2463400        | 57.94             | 821000  | 1642400        | 2463400        | 57.94             | -                        |
| <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</b>        | <b>2588400</b>  | <b>1663300</b> | <b>4251700</b> | <b>100</b>        | <b>-</b>                 |



(ii) Shareholding of Promoters

| SI 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                            | -  | 803000                              | 18.89                            | -  | -   |
| 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      | Urmez Feroz Bhote       | 18000                                     | 0.42                             | -  | 18000                               | 0.42                             | -  | -   |
|        | <b>Total</b>            | <b>1788300</b>                            | <b>42.06</b>                     | -  | <b>1788300</b>                      | <b>42.06</b>                     | -  | -   |

(iii) Change in Promoters' Shareholding - Nil

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

| SI No. | Name of the Shareholders     | 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>Savio Pinto</b>           |   |                                  |   |                                  |
|        | At the beginning of the year | 250000                                    | 5.88                             | 250000                                  | 5.88                             |
|        | Bought during the year       |   |                                  |   |                                  |
| 1.     | Sold during the year         |   |                                  |   |                                  |
|        | At the end of the year       | 250000                                    | 5.88                             | 250000                                  | 5.88                             |
|        |                              |   |                                  |   |                                  |
| 2.     | <b>Zen Securities Ltd.</b>   |   |                                  |   |                                  |
|        | At the beginning of the year | 200000                                    | 4.70                             | 200000                                  | 4.70                             |
|        | Bought during the year       |   |                                  |   |                                  |
| 2.     | Sold during the year         |   |                                  |   |                                  |
|        | At the end of the year       | 200000                                    | 4.70                             | 200000                                  | 4.70                             |
|        |                              |   |                                  |   |                                  |



| Sl. No. | Name of the Shareholders                 | 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 |
| 3.      | <b>N C Nagarajan</b>                     |   |                                  |   |                                  |
|         | At the beginning of the year             | 132900                                    | 3.13                             | 132900                                  | 3.13                             |
|         | Bought during the year                   |   |                                  |   |                                  |
|         | Sold during the year                     |   |                                  |   |                                  |
|         | At the end of the year                   | 132900                                    | 3.13                             | 132900                                  | 3.13                             |
| 4.      | <b>Ranjit Malik</b>                      |   |                                  |   |                                  |
|         | At the beginning of the year             | 120000                                    | 2.82                             | 120000                                  | 2.82                             |
|         | Bought during the year                   |   |                                  |   |                                  |
|         | Sold during the year                     |   |                                  |   |                                  |
|         | At the end of the year                   | 120000                                    | 2.82                             | 120000                                  | 2.82                             |
| 5.      | <b>Latin Maharlal Securities Pvt Ltd</b> |   |                                  |   |                                  |
|         | At the beginning of the year             | 100000                                    | 2.35                             | 100000                                  | 2.35                             |
|         | Bought during the year                   |   |                                  |   |                                  |
|         | Sold during the year                     |   |                                  |   |                                  |
|         | At the end of the year                   | 100000                                    | 2.35                             | 100000                                  | 2.35                             |
| 6.      | <b>RVG Investments &amp; Tech P Ltd</b>  |   |                                  |   |                                  |
|         | At the beginning of the year             | 100000                                    | 2.35                             | 100000                                  | 2.35                             |
|         | Bought during the year                   |   |                                  |   |                                  |
|         | Sold during the year                     |   |                                  |   |                                  |
|         | At the end of the year                   | 100000                                    | 2.35                             | 100000                                  | 2.35                             |
| 7.      | <b>Bodhtree Consulting Ltd</b>           |   |                                  |   |                                  |
|         | At the beginning of the year             | 100000                                    | 2.35                             | 100000                                  | 2.35                             |
|         | Bought during the year                   |   |                                  |   |                                  |
|         | Sold during the year                     |   |                                  |   |                                  |
|         | At the end of the year                   | 100000                                    | 2.35                             | 100000                                  | 2.35                             |
| 8.      | <b>Nallur Chandrasekaran Murthy</b>      |   |                                  |   |                                  |
|         | At the beginning of the year             | 100000                                    | 2.35                             | 100000                                  | 2.35                             |
|         | Bought during the year                   | 20000                                     | 0.47                             | 20000                                   | 0.47                             |
|         | Sold during the year                     |   |                                  |   |                                  |
|         | At the end of the year                   | 120000                                    | 2.82                             | 120000                                  | 2.82                             |
| 9.      | <b>V Nagesh</b>                          |   |                                  |   |                                  |
|         | At the beginning of the year             | 71000                                     | 1.67                             | 71000                                   | 1.67                             |
|         | Bought during the year                   |   |                                  |   |                                  |
|         | Sold during the year                     |   |                                  |   |                                  |
|         | At the end of the year                   | 71000                                     | 1.67                             | 71000                                   | 1.67                             |
| 10.     | <b>Kirti D Shah</b>                      |   |                                  |   |                                  |
|         | At the beginning of the year             | 60000                                     | 1.41                             | 60000                                   | 1.41                             |
|         | Bought during the year                   |   |                                  |   |                                  |
|         | Sold during the year                     |   |                                  |   |                                  |
|         | At the end of the year                   | 60000                                     | 1.41                             | 60000                                   | 1.41                             |



(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 | 6,36,000        |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 32,349          |
|        | (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<br>- as % of profit<br>- others, specify...                              |                 |
| 5      | Others, please specify (PF)   | 54,720          |
|        | <b>Total (A)</b>  | <b>7,23,069</b> |
|        | Ceiling as per the Act  | 30,00,000       |



**B. Remuneration to other Directors:**

| SI No. | Particulars of Remuneration   | Name of KMP  |
|--------|---|--|
|        |   | <b>K. S. Hanumaiah</b><br>(Upto 29th<br>January, 2017) |
| 1      | Gross salary  | Rs.  |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 2,45,800   |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | NIL  |
|        | (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<br>- as % of profit<br>- others, specify...                              | NIL  |
| 5      | Others, please specify (PF)   | NIL  |
|        | <b>Total (A)</b>  | <b>2,45,800</b>  |
|        | Ceiling as per the Act  | 30,00,000  |

**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 | 5,08,800                 | 3,57,400        | 8,66,200        |
|     | (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)  | 42,336                   | NIL             | 42,336          |
| 5   | Others, please specify  | NIL                      | NIL             | NIL             |
|     | <b>Total</b>  | <b>5,51,136</b>          | <b>3,57,400</b> | <b>9,08,536</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 31ST MARCH, 2017

*[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, 2017 (“**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, 2017 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, 1992;
- 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 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**

Place: Hyderabad  
Date: 10th August, 2017

**(G. Raghu Babu)**  
Partner  
FCS No.4448  
CP No. 2820

*This report is to be read with our letter of even date, which is annexed as "Annexure" attached herewith 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 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 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: 10th August, 2017



## REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2016-2017

### 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:

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 31st March, 2017

| 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. Aashay Harshe      | 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 2016-2017 and at the last Annual General Meeting:

| Name of the Director                             | Board Meetings held during the Year | Meetings attended | Last AGM       |
|--|-------------------------------------|-------------------|----------------|
| Mr. F. R. Bhote                                  | 6                                   | 6                 | Present        |
| Mr. N. Gowrishankar<br>(Upto 29th January, 2017) | 6                                   | 2                 | Absent         |
| Mr. Vinay Vir                                    | 6                                   | 6                 | Absent         |
| Ms. Geeta Feroz Bhote                            | 6                                   | 6                 | Absent         |
| Mr. Aashay Harshe<br>(From 30th January, 2017)   | 6                                   | -                 | Not Applicable |
| Mr. K. S. Hanumaiah<br>(Upto 29th January, 2017) | 6                                   | 2                 | Present        |

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 6 (Six) times during this financial year on 6th April, 2016, 27th May, 2016, 27th July, 2016, 28th October, 2016, 30th January, 2017 and 16th February, 2017.



#### 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, She 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:

- Oversight of Company's financial reporting process.
- Recommending appointment and removal of external auditors and fixing of their fees.
- 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.
- Reviewing the adequacy of the Audit and compliance functioning including policies, procedures, techniques and other regulatory requirements.
- Reviewing the adequacy of internal control systems and significant audit findings.
- 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             | Meeting held during the year | Meeting attended |
|---|----------------------|------------------------------|------------------|
| Mr. N. Gowri Shankar<br>(Chairman)<br>(Upto 29th January, 2017) | Independent Director | 4                            | 2                |
| Mr. Vinay Vir (Chairman)  | Independent Director | 4                            | 4                |
| Mr. F. R. Bhote   | Managing Director    | 4                            | 4                |
| Mr. Aashay Harshe<br>(From 30th January, 2017)                  | Independent Director | 4                            | -                |



The Committee met 4 (four) times during this financial year on 27th May, 2016, 27th July, 2016, 28th October, 2016 and 30th January, 2017.

### 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 details of meetings attended by its Members:

| Name of the Member  | Meeting held during the year | Meeting attended |
|---|------------------------------|------------------|
| Mr. Vinay Vir (Chairman)<br>(Upto 29th January, 2017)     | 2                            | 2                |
| Mr. N. Gowrishankar<br>(Upto 29th January, 2017)          | 2                            | 1                |
| Mrs. Geeta Feroz Bhote                                    | 2                            | 2                |
| Mr. Aashay Harshe<br>(Chairman) (From 30th January, 2017) | 2                            | -                |

The Committee met 2 (two) times during this financial year on 30th January, 2017 and 16th February, 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 16th February, 2017.

#### 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:

| Particulars    | F.R Bhote       | K.S. Hanumaiah (Upto 29th January, 2017) |
|----------------|-----------------|--|
| Salary         | 6,36,000        | 2,45,800                                 |
| Perquisites    | 32,349          | ---                                      |
| Provident Fund | 54,720          | ---                                      |
| <b>Total</b>   | <b>7,23,069</b> | <b>2,45,800</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. N. Gowrishankar    | - | Chairman (Upto 29th January, 2017) |
| (ii)  | Mrs. Geeta Feroz Bhote | - | Member                             |
| (iii) | Mr. Vinay Vir          | - | Chairman                           |
| (iv)  | Mr. Aashay Harshe      | - | Member                             |

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

Ms. Gumpena Naga Jyothi, Whole-time Company Secretary and Compliance Officer

##### **4. No. of Shareholders Complaints received during the year 2016-17:**

During the year 2016-17, 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 2016-17, 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>     |
|-----------------------|------------|-------------------|-----------------------------------|
| 2013-2014             | 31st AGM   | Registered Office | 4:00 p.m. on 30th September, 2014 |
| 2014-2015             | 32nd AGM   | Registered Office | 4:00 p.m. on 29th September, 2015 |
| 2015-2016             | 33rd AGM   | Registered Office | 4:00 p.m. on 24th September, 2016 |

##### **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 Shareholder information:**

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

On Thursday, 28th of September, 2017 at 4.00 PM at the Registered office of the Company at Flat No. 28, Goyal Society, Moti Valley, Tirmulgerry, Secunderabad-500 015.

### **2. Financial Calendar for 2017-2018 (tentative):**

| <b>Quarter ending on</b> | <b>Reporting on</b>           |
|--------------------------|-------------------------------|
| 30th June, 2017          | 10th August, 2017 (Completed) |
| 30th September, 2017     | Last week of October, 2017    |
| 31st December, 2017      | Last week of January, 2018    |
| 31st March, 2018         | Last week of May, 2018        |

### **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 24th September, 2017 to 28th September, 2017 (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   | 25th Floor, P.J Towers,<br>Dalal Street,<br>Mumbai- 400 001  | Paid                                  |
| The Ahmedabad Stock Exchange Limited (ASE)                        | A-2, Kamdhenu Complex,<br>Opposite Sahajanand College,<br>120 Feet Ring Rd, Panjara Pol,<br>Ambawadi, Ahmedabad-380015,<br>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, 2016     | 11.00      | 8.54      |
| 2    | May, 2016       | 11.02      | 9.57      |
| 3    | June, 2016      | 10.54      | 9.90      |
| 4    | July, 2016      | 10.00      | 9.95      |
| 5    | August, 2016    | 10.00      | 10.00     |
| 6    | September, 2016 | 11.00      | 9.85      |
| 7    | October, 2016   | 10.00      | 9.30      |
| 8    | November, 2016  | 9.92       | 9.22      |
| 9    | December, 2016  | 10.50      | 10.20     |
| 10   | January, 2017   | 10.55      | 9.74      |
| 11   | February, 2017  | 10.75      | 9.71      |
| 12   | March, 2017     | 10.00      | 10.00     |

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

|                               | 1st April, 2016 | 31st March, 2017 | % change |
|-------------------------------|-----------------|------------------|----------|
| Company Share Price (closing) | 9.45            | 10.00            | 5.82     |
| Sensex (Closing)              | 25,269.64       | 29,620.50        | 17.22    |



## 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](mailto: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, 2017:

| Sl.No.       | Category | No.of Shareholders | Percentage of Shareholders | No. of Equity Shares | Percentage of Shareholding |
|--------------|----------|--------------------|----------------------------|----------------------|----------------------------|
| 0            | 500      | 352                | 59.16                      | 26053                | 0.61                       |
| 501          | 1000     | 44                 | 7.40                       | 41091                | 0.97                       |
| 1001         | 2000     | 30                 | 5.04                       | 50483                | 1.19                       |
| 2001         | 3000     | 52                 | 8.74                       | 130575               | 3.07                       |
| 3001         | 4000     | 14                 | 2.35                       | 52357                | 1.23                       |
| 4001         | 5000     | 29                 | 4.87                       | 142388               | 3.35                       |
| 5001         | 10000    | 39                 | 6.55                       | 313681               | 7.38                       |
| 10001        | 4251700  | 35                 | 5.88                       | 3495072              | 82.20                      |
| <b>TOTAL</b> |          | <b>595</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, 2017, a total no. of 32,93,500 equity shares of the Company stand dematerialized constituting 77.46 % of the paid-up share capital of the Company.



## **12. Outstanding GDRs / ADRs / Warrants / Convertible Debentures during the year 2016-2017:**

The Company has not issued any GDRs / ADRs / Warrants / Convertible Debentures during the year 2016-2017.

## **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:

| <b>Development facilities / Branch</b> | <b>Location</b>   |
|--|---|
| 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 & :  
Physical shares
- 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
- 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: 10th August, 2017

**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 2017, 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 **RAMANATHAM & RAO**  
Chartered Accountants  
Firm Regn. No. 002934S

**(C. Kameshwar Rao)**  
Partner  
M. No. 024363

Place: Secunderabad  
Date: 10th August, 2017



## 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 March 31st, 2017, the Statement of Profit and Loss and Cash Flow Statement 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. 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 of the state of affairs of the Company as at 31st March 2017 and its profit and its cash flows for the year ended on that date .

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
  - (e) On the basis of written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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.
- (iv) The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note No.40

For **RAMANATHAM & RAO**  
Chartered Accountants  
Firm Regn. No. 002934S

**(C. Kameshwar Rao)**  
Partner  
M. No. 024363

Place: Secunderabad  
Date: 27th May, 2017





## **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 March 2017, 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, 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 March 2017 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 **RAMANATHAM & RAO**  
Chartered Accountants  
Firm Regn. No. 002934S

**(C. Kameshwar Rao)**  
Partner  
M. No. 024363

Place: Secunderabad  
Date: 27th May, 2017



## **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 March 2017 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 31 March 2017, 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 **RAMANATHAM & RAO**  
Chartered Accountants  
Firm Regn. No. 0029345

**(C. Kameshwar Rao)**  
Partner  
M. No. 024363

Place: Secunderabad  
Date: 27th May, 2017



**HYPERSOFT TECHNOLOGIES LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2017**

| SL. NO. | PARTICULARS                       | NOTE NO. | 31st MARCH 2017<br>Rs. | 31st MARCH 2016<br>Rs. |
|---------|-----------------------------------|----------|------------------------|------------------------|
| I.      | <b>EQUITY AND LIABILITIES</b>     |          |                        |                        |
| 1       | <b>Shareholders' funds</b>        |          |                        |                        |
|         | a) Share capital                  | 2        | 44,921,750             | 44,921,750             |
|         | b) Reserves and surplus           | 3        | (14,009,642)           | (14,144,157)           |
| 2       | <b>Non-current liabilities</b>    |          |                        |                        |
|         | (a) Other Long term liabilities   | 4        | 135,000                | 135,000                |
|         | (b) Long-term provisions          | 5        | 472,531                | 435,560                |
| 3       | <b>Current liabilities</b>        |          |                        |                        |
|         | (a) Trade payables                | 6        |                        |                        |
|         | MSME                              |          | -                      | -                      |
|         | Others                            |          | 438,808                | 2,285,236              |
|         | (b) Other current liabilities     | 7        | 270,088                | 280,460                |
|         | (c) Short-term provisions         | 8        | 540,708                | 576,997                |
|         | <b>TOTAL</b>                      |          | <b>32,769,243</b>      | <b>34,490,846</b>      |
| II.     | <b>ASSETS</b>                     |          |                        |                        |
| 1       | <b>Non-current assets</b>         |          |                        |                        |
|         | a) Fixed assets                   |          |                        |                        |
|         | Tangible assets                   | 9        | 12,647,202             | 13,031,487             |
|         | (b) Non-current investments       | 10       | 9,088,584              | 12,838,584             |
|         | (c) Deferred tax assets (net)     | 11       | 1,858,008              | 1,866,586              |
|         | (d) Long-term loans and advances  | 12       | 517,126                | 63,126                 |
| 2       | <b>Current assets</b>             |          |                        |                        |
|         | (a) Inventories                   | 13       | 2,064,732              | 1,705,519              |
|         | (b) Trade receivables             | 14       | 1,221,234              | 157,419                |
|         | (c) Cash and cash equivalents     | 15       | 1,300,818              | 285,517                |
|         | (d) Short-term loans and advances | 16       | 197,500                | 180,810                |
|         | (e) Other current assets          | 17       | 3,874,039              | 4,361,798              |
|         | <b>TOTAL</b>                      |          | <b>32,769,243</b>      | <b>34,490,846</b>      |

Significant Accounting Policies  
Notes on Accounts

1  
2 to 40

Per our report of even date  
For **RAMANATHAM & RAO**  
Chartered Accountants  
Firm No: 002934S

For and on behalf of the Board

**(C.KAMESWARA RAO)**  
PARTNER  
Membership No: 024363

**S. KHUDAVENTH**  
Chief Financial Officer

**F.R. BHOTE**  
Managing Director

Place : Secunderabad  
Date : 27th May, 2017

**GUMPENA NAGAJYOTHI**  
Company Secretary

**VINAY VIR**  
Director



**HYPERSOFT TECHNOLOGIES LIMITED**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

| SL. NO. | PARTICULARS                                    | NOTE NO. | 31st MARCH 2017<br>Rs. | 31st MARCH 2016<br>Rs. |
|---------|--|----------|------------------------|------------------------|
| I       | Revenue from operations                        | 18       | 19,290,622             | 28,681,800             |
| II      | Other income                                   | 19       | 1,957,735              | 2,337,811              |
| III     | <b>Total Revenue</b>                           |          | <b>21,248,357</b>      | <b>31,019,611</b>      |
| IV      | <b>Expenses:</b>                               |          |                        |                        |
|         | (a) Trade Purchases                            | 20       | -                      | -                      |
|         | (b) Changes in inventories of finished goods   | 21       | 9,294                  | 4,647                  |
|         | (c) Employee benefit expense                   | 22       | 4,876,840              | 5,724,358              |
|         | (d) Finance cost                               | 23       | 5,871                  | 932                    |
|         | (e) Depreciation and amortization expense      | 9        | 384,286                | 384,286                |
|         | (f) Other expenses                             | 24       | 15,797,307             | 22,062,616             |
|         | <b>Total expenses Total (a) to (f)</b>         |          | <b>21,073,598</b>      | <b>28,176,839</b>      |
| V       | <b>Profit before tax and Exceptional Items</b> |          | 174,759                | 2,842,772              |
| VI      | Exceptional Items                              |          | -                      | 2,569,500              |
| VII     | <b>Profit before tax</b>                       |          | 174,759                | 273,272                |
| VIII    | Tax expense:                                   |          |                        |                        |
|         | (a) Current tax                                |          | (31,666)               | (52,072)               |
|         | (b) Deferred tax                               |          | (8,578)                | 42,535                 |
| IX      | <b>Profit for the period</b>                   |          | 134,515                | 263,735                |
| X       | Earnings per equity share:                     |          |                        |                        |
|         | (a) Basic                                      |          | 0.03                   | 0.06                   |
|         | (b) Diluted                                    |          | 0.03                   | 0.06                   |

Significant Accounting Policies  
Notes on Accounts

1  
2 to 40

Per our report of even date  
For **RAMANATHAM & RAO**  
Chartered Accountants  
Firm No: 002934S

For and on behalf of the Board

**(C.KAMESWARA RAO)**  
PARTNER  
Membership No: 024363

**S. KHUDAVENTH**  
Chief Financial Officer

**F.R. BHOTE**  
Managing Director

Place : Secunderabad  
Date : 27th May, 2017

**GUMPENA NAGAJYOTHI**  
Company Secretary

**VINAY VIR**  
Director



**HYPERSOFT TECHNOLOGIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

| PARTICULARS  | 31st MARCH 2017<br>Rs. | 31st MARCH 2016<br>Rs. |
|--|------------------------|------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                     |                        |                        |
| Net Profit / (Loss) Before Tax                                 | 174,759                | 273,272                |
| <b>Adjustments for</b>   |                        |                        |
| Profit on sale/ Discarded Fixed Assets                         | -                      | -                      |
| Depreciation   | 384,286                | 384,286                |
| Interest Expenses  | 5,871                  | 932                    |
| Interest Income  | (1,057,859)            | (1,642,274)            |
| Exceptional Items  | -                      | 2,569,500              |
| Current Tax Paid   | -31,666.00             | (52,072)               |
| <b>Operating Profit / (Loss) before working capital change</b> | <b>(524,609)</b>       | <b>1,533,644</b>       |
| <b>Adjustments for</b>   |                        |                        |
| Non-Current Provisions   | 36,971                 | 170,383                |
| Current Liabilities and Provisions                             | (1,893,089)            | 2,098,508              |
| <b>Current Assets</b>  |                        |                        |
| Inventories  | 9,294                  | 4,647                  |
| Trade Receivables  | (1,063,815)            | (1,893,121)            |
| Short-term Loans and Advances                                  | (16,690)               | 50,000                 |
| Other Current Assets   | 487,759                | 94,897                 |
| Cash from Operations   | (2,964,179)            | 5,845,200              |
| Less: Exceptional Items  | -                      | (2,569,500)            |
| <b>Net Cash generated from Operating Activities</b>            | <b>(2,964,179)</b>     | <b>3,275,700</b>       |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                     |                        |                        |
| Purchase of Fixed Assets                                       | -                      | -                      |
| Proceeds on Sale of Fixed Assets                               | -                      | -                      |
| Investments  | 3,750,000              | 4,816,654              |
| Non-Current Assets   | -                      | -                      |
| Interest received  | 1,057,859              | 1,642,274              |
| <b>Cash Flow from Investing Activities</b>                     | <b>4,807,859</b>       | <b>6,458,928</b>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                    |                        |                        |
| Loans received from Bank                                       | -                      | -                      |
| Changes in Non Current Liabilities                             | -                      | (10,092,882)           |
| Interest paid  | (5,871)                | (932)                  |
| <b>Cash flow from Financing Activities</b>                     | <b>(5,871)</b>         | <b>(10,093,814)</b>    |
| <b>Net Increase / ( Decrease) in Cash and Cash Equivalents</b> | <b>1,015,301</b>       | <b>(359,186)</b>       |
| <b>Cash and Cash Equivalents at the beginning of the year</b>  | <b>285,517</b>         | <b>644,703</b>         |
| <b>Cash and Cash Equivalents at the end of the year</b>        | <b>1,300,818</b>       | <b>285,517</b>         |

Per our report of even date  
For **RAMANATHAM & RAO**  
Chartered Accountants  
Firm No: 002934S

For and on behalf of the Board

**(C.KAMESWARA RAO)**  
PARTNER

**S. KHUDAVENTH**  
Chief Financial Officer

**F.R. BHOTE**  
Managing Director

Membership No: 024363

Place : Secunderabad  
Date : 27th May, 2017

**GUMPENA NAGAJYOTHI**  
Company Secretary

**VINAY VIR**  
Director



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

### **A BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

- a) Balance Sheet , Statement of Profit and Loss and Cash Flow Statement are prepared in conformity with Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guide lines issued by the Securities and Exchange Board of India (SEBI).
- b) 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.
- c) The company generally follows mercantile system of Accounting and recognizes significant items of income and expenditure on accrual basis.

### **B FIXED ASSETS:**

Fixed Assets are disclosed at historical cost of acquisition.

### **C 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.

### **D INVESTMENTS:**

Investments are disclosed at cost. Income on investments is accounted on accrual basis.

### **E INVENTORIES:**

Software inventory is valued at cost on First In First Out Method. Inventories are verified and certified by the management.

### **F TERMINAL BENEFITS TO EMPLOYEES**

Provision for gratuity is made based on actuarial valuation in accordance with Accounting Standard – 15.

### **G 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.

### **H TAXES AND DUTIES**

- a) Value Added Tax paid on purchase of Fixed Assets and other material is accounted at Net value, where input credit has been availed.
- b) Sales are disclosed at net value of Taxes.
- c) Sales Tax paid in excess of collection is treated as expenditure.
- d) Service Tax is accounted for net of CENVAT credit availed and utilized.





## HYPERSOFT TECHNOLOGIES LIMITED

| Note No.   | PARTICULARS  | 31st MARCH 2017<br>Rs.   | 31st MARCH 2016<br>Rs.   |
|------------|--|--|--|
| <b>2</b>   | <b>SHARE CAPITAL</b>   |  |  |
| <b>2.1</b> | <b>Authorised Share Capital</b><br>6,000,000 Equity Shares of Rs. 10 each<br><br><b>Issued, Suscribed and paidup Capital</b><br>4,251,700 Equity Shares of Rs10 each fully paid<br>Add: Forfeited Shares<br><br><div style="text-align: right;"><b>Total</b></div> | <br>60,000,000<br><br>42,517,000<br>2,404,750<br><br><b>44,921,750</b> | <br>60,000,000<br><br>42,517,000<br>2,404,750<br><br><b>44,921,750</b> |
| 2.2        | Forfeited shares represents 9,61,900 Equity shares of Rs.10/- each forfeited on 20th June , 1998 against which the company had received Rs 2.50 per share.   |  |  |
| 2.3        | The company has only one class of shares referred to as Equity Shares having a par value of Rs.10 each. Each holder of Equity Shares is entitle to one vote per share.   |  |  |
| <b>2.4</b> | <b>EQUITY SHARE HOLDERS HOLDING MORE THAN 5 % OF SHARES</b>  |  |  |
|            | <b>Name of Shareholder</b>   | <b>31ST MARCH 2017</b>   | <b>31ST MARCH 2016</b>   |
|            |  | <b>No.of Shares</b>  | <b>No.of Shares</b>  |
|            |  | <b>%</b>   | <b>%</b>   |
| a)         | D. R. Bhote  | 803,000  | 803,000  |
| b)         | F. R. Bhote  | 605,650  | 405,650  |
| c)         | Kashmira D Bhote   | 230,900  | 230,900  |
| d)         | Savio Pinto  | 250,000  | -  |
| <b>3</b>   | <b>RESERVES AND SURPLUS</b>  |  |  |
|            |  | <b>31ST MARCH 2017<br/>Rs</b>  | <b>31ST MARCH 2016<br/>Rs</b>  |
| <b>(a)</b> | <b>Capital Reserves</b>  |  |  |
|            | Opening Balance  | 3,787,500  | 3,787,500  |
|            | Add: Current Year Transfer   |  | -  |
|            | - Less: Written Back in Current Year   |  | -  |
|            | - Closing Balance  | 3,787,500  | 3,787,500  |
| <b>(b)</b> | <b>Securities Premium Account</b>  |  |  |
|            | Opening Balance  | 3,275,000  | 3,275,000  |
|            | Add: Received during the year  | -  | -  |
|            | Less: Utilised during the year   | -  | -  |
|            | Closing Balance  | 3,275,000  | 3,275,000  |
| <b>(c)</b> | <b>Surplus</b>   |  |  |
|            | Opening balance  | (21,206,657)   | (21,470,392)   |
|            | Add: Net Profit/(Net Loss) For the current year  | 134,515  | 263,735  |
|            | Less: Prior Year Adjustment  | -  | -  |
|            | Closing Balance  | (21,072,142)   | (21,206,657)   |
|            | <b>Total</b>   | <b>(14,009,642)</b>  | <b>(14,144,157)</b>  |



## HYPERSOFT TECHNOLOGIES LIMITED

| Note No.    | PARTICULARS                                   | 31st MARCH 2017<br>Rs. | 31st MARCH 2016<br>Rs. |
|-------------|---|------------------------|------------------------|
| <b>4</b>    | <b>OTHER LONGTERM LIABILITIES</b>             |                        |                        |
|             | Others - Deposit                              | 135,000                | 135,000                |
|             | <b>Total</b>                                  | <b>135,000</b>         | <b>135,000</b>         |
| <b>5</b>    | <b>LONGTERM PROVISIONS</b>                    |                        |                        |
|             | Provision for employee benefits               |                        |                        |
|             | Gratuity                                      | 472,531                | 435,560                |
|             | <b>Total</b>                                  | <b>472,531</b>         | <b>435,560</b>         |
| <b>6</b>    | <b>TRADE PAYABLES</b>                         |                        |                        |
|             | Due to Micro, Small and Medium enterprises-   | -                      |                        |
|             | Others  | 438,808                | 2,285,236              |
|             | <b>Total</b>                                  | <b>438,808</b>         | <b>2,285,236</b>       |
| <b>7</b>    | <b>OTHER CURRENT LIABILITIES</b>              |                        |                        |
|             | Other payables                                | 80,688                 | 88,730                 |
|             | Statutory Liabilities                         | 189,400                | 191,730                |
|             | <b>Total</b>                                  | <b>270,088</b>         | <b>280,460</b>         |
| <b>8</b>    | <b>SHORT TERM PROVISIONS</b>                  |                        |                        |
|             | <b>(a) Provision for employee benefits</b>    |                        |                        |
|             | Salary & Reimbursements                       | 277,127                | 354,524                |
|             | Contribution to PF                            | 24,410                 | 23,820                 |
|             | Gratuity                                      | 128,678                | 36,971                 |
|             | <b>(b) Others</b>                             |                        |                        |
|             | Expenses payable                              | 13,200                 | 51,358                 |
|             | Provision for Income Tax                      | 31,666                 |                        |
|             | Director Remuneration                         | 302                    | 35,000                 |
|             | Provision for audit fee                       | 65,325                 | 75,324                 |
|             | <b>Total</b>                                  | <b>540,708</b>         | <b>576,997</b>         |
| <b>10</b>   | <b>NON-CURRENT INVESTMENTS</b>                |                        |                        |
| <b>10.1</b> | <b>Other Investments</b>                      |                        |                        |
|             | Fixed Deposits at cost                        | 9,088,584              | 12,838,584             |
|             | <b>Total</b>                                  | <b>9,088,584</b>       | <b>12,838,584</b>      |
| <b>10.2</b> | <b>Market Value of Investments</b>            |                        |                        |
|             | (a) Aggregate amount of quoted investments    | -                      | -                      |
|             | (b) Aggregate amount of unquoted investments  | 9,088,584              | 12,838,584             |
|             | <b>Total</b>                                  | <b>9,088,584</b>       | <b>12,838,584</b>      |
| <b>11</b>   | <b>DEFERRED TAX ASSET</b>                     |                        |                        |
|             | <b>(a) On time difference of Depreciation</b> |                        |                        |
|             | Opening Balance                               | 2,019,119              | 1,896,196              |
|             | For the year                                  | (199,282)              | 122,923                |
|             | Closing Balance                               | 1,819,837              | 2,019,119              |



## HYPERSOFT TECHNOLOGIES LIMITED

| Note No.  | PARTICULARS  | 31st MARCH 2017<br>Rs. | 31st MARCH 2016<br>Rs. |
|-----------|--|------------------------|------------------------|
|           | <b>(b) On time difference of Gratuity</b>  |                        |                        |
|           | Opening Balance  | 152,533                | 72,145                 |
|           | For the year   | (190,704)              | 80,388                 |
|           | <b>Closing Balance</b>   | <b>(38,171)</b>        | <b>152,533</b>         |
|           | <b>(c) Net Deferred to Asset</b>   | <b>1,858,008</b>       | <b>1,866,586</b>       |
|           | <b>(d) Adjustment for the year</b>   | <b>(8,578)</b>         | <b>42,535</b>          |
| <b>12</b> | <b>LONG TERM LOANS AND ADVANCES</b>  |                        |                        |
|           | <b>Security Deposits</b>   |                        |                        |
|           | Unsecured, considered good   | 517,126                | 63,126                 |
|           | <b>Total</b>   | <b>517,126</b>         | <b>63,126</b>          |
| <b>13</b> | <b>INVENTORIES</b>   |                        |                        |
|           | Finished goods (Valued at FIFO)  | 2,064,732              | 1,705,519              |
|           | <b>Total</b>   | <b>2,064,732</b>       | <b>1,705,519</b>       |
| <b>14</b> | <b>TRADE RECEIVABLES</b>   |                        |                        |
|           | (a) Trade receivables outstanding for a period exceeding 6 months due for payment. |                        |                        |
|           | Unsecured, considered good   | 478,036                | -                      |
|           | (b) Other Debtors:   |                        |                        |
|           | Unsecured, considered good   | 743,198                | 157,419                |
|           | <b>Total</b>   | <b>1,221,234</b>       | <b>157,419</b>         |
| <b>15</b> | <b>CASH AND CASH EQUIVALENTS</b>   |                        |                        |
|           | Balances with banks  | 1,170,368              | 283,302                |
|           | Cash on hand   | 130,450                | 2,215                  |
|           | <b>Total</b>   | <b>1,300,818</b>       | <b>285,517</b>         |
| <b>16</b> | <b>SHORT TERM LOANS AND ADVANCES</b>   |                        |                        |
|           | Staff advances   |                        |                        |
|           | Unsecured, considered good   | 197,500                | 180,810                |
|           | <b>Total</b>   | <b>197,500</b>         | <b>180,810</b>         |
| <b>17</b> | <b>OTHER CURRENT ASSETS</b>  |                        |                        |
|           | Interest Accrued but not due   | 2,273,686              | 1,373,189              |
|           | TDS ( less: current Tax)   | 773,538                | 2,148,992              |
|           | Pre-paid expenses  | 818,433                | 815,994                |
|           | Other Advances   | 8,382                  | 23,623                 |
|           | <b>Total</b>   | <b>3,874,039</b>       | <b>4,361,798</b>       |

## FIXED ASSETS : TANGIBLE ASSETS

NOTE No : 9

| Sl. No. | Particulars                  | Gross Block              |                  |                           | Depreciation             |                   |                                 |                           | Net Block                 |                           |
|---------|------------------------------|--------------------------|------------------|---------------------------|--------------------------|-------------------|---------------------------------|---------------------------|---------------------------|---------------------------|
|         |                              | As at 1 April '16<br>Rs. | Additions<br>Rs. | As at 31 March '17<br>Rs. | As at 1 April '16<br>Rs. | Adjustment<br>Rs. | Depreciation for the year<br>Rs | As at 31 March '17<br>Rs. | As at 31 March '17<br>Rs. | As at 31 March '16<br>Rs. |
| a       | Buildings                    | 13,714,923               | -                | 13,714,923                | 1,462,405                | -                 | 216,439                         | 1,678,844                 | 12,036,079                | 12,252,518                |
| b       | Plant and Equipment          | 2,105,895                | -                | 2,105,895                 | 2,105,895                | -                 | -                               | 2,105,895                 | -                         | -                         |
| c       | Furniture and Fixtures       | 1,048,904                | -                | 1,048,904                 | 912,886                  | -                 | 44,2-86                         | 957,172                   | 91,732                    | 136,018                   |
| d       | Vehicles                     | 1,149,340                | -                | 1,149,340                 | 945,380                  | -                 | 21,855                          | 967,235                   | 182,105                   | 203,960                   |
| e       | Office equipment             | 1,214,140                | -                | 1,214,140                 | 854,103                  | -                 | 101,706                         | 955,809                   | 258,331                   | 360,037                   |
| f       | Computers                    | 2,305,801                | -                | 2,305,801                 | 2,226,847                | -                 | -                               | 2,226,847                 | 78,954                    | 78,954                    |
|         | <b>TOTAL TANGIBLE ASSETS</b> | <b>21,539,003</b>        | <b>-</b>         | <b>21,539,003</b>         | <b>8,507,515</b>         | <b>-</b>          | <b>384,286</b>                  | <b>8,891,801</b>          | <b>12,647,202</b>         | <b>13,031,487</b>         |
|         | <b>PREVIOUS YEAR</b>         | <b>21,539,003</b>        | <b>-</b>         | <b>21,539,003</b>         | <b>8,123,229</b>         | <b>-</b>          | <b>384,286</b>                  | <b>8,507,515</b>          | <b>13,031,487</b>         | <b>13,415,773</b>         |





| <b>Note No.</b> | <b>PARTICULARS</b>                             | <b>31st MARCH 2017<br/>Rs.</b> | <b>31st MARCH 2016<br/>Rs.</b> |
|-----------------|--|--------------------------------|--------------------------------|
| <b>18</b>       | <b>REVENUE FROM OPERATIONS</b>                 |                                |                                |
|                 | Sale of products                               | 1,588,615                      | 1,945,214                      |
|                 | Sale of services                               | 16,895,007                     | 26,736,586                     |
|                 | Other operating revenues (Export sales)        | 807,000                        | -                              |
|                 | <b>Total</b>                                   | <b>19,290,622</b>              | <b>28,681,800</b>              |
| <b>19</b>       | <b>OTHER INCOME</b>                            |                                |                                |
|                 | Interest Income                                | 1,057,859                      | 1,642,274                      |
|                 | Rent   | 702,405                        | 638,550                        |
|                 | Other non-operating income                     | 197,471                        | 56,987                         |
|                 | <b>Total</b>                                   | <b>1,957,735</b>               | <b>2,337,811</b>               |
| <b>20</b>       | <b>TRADE PURCHASES</b>                         |                                |                                |
|                 | Purchase of software                           | -                              | -                              |
|                 | <b>Total</b>                                   | <b>-</b>                       | <b>-</b>                       |
| <b>21</b>       | <b>CHANGE IN INVENTORIES OF FINISHED GOODS</b> |                                |                                |
|                 | Closing Stock                                  | 1,696,225                      | 1,705,519                      |
|                 | Less: Opening Stock                            | 1,705,519                      | 1,710,166                      |
|                 | <b>Total</b>                                   | <b>9,294</b>                   | <b>4,647</b>                   |
| <b>22</b>       | <b>EMPLOYEE BENEFITS EXPENSES</b>              |                                |                                |
|                 | Salaries and incentives                        | 4,264,999                      | 4,981,043                      |
|                 | Contributions to ESIC                          | 6,894                          | -                              |
|                 | Contributions to Provident Fund                | 332,847                        | 328,926                        |
|                 | Gratuity                                       | 128,678                        | 248,427                        |
|                 | Staff welfare expenses                         | 143,422                        | 165,962                        |
|                 | <b>Total</b>                                   | <b>4,876,840</b>               | <b>5,724,358</b>               |
| <b>23</b>       | <b>FINANCE COST</b>                            |                                |                                |
|                 | Interest expense                               | 5,871                          | 932                            |
|                 | <b>Total</b>                                   | <b>5,871</b>                   | <b>932</b>                     |
| <b>24</b>       | <b>OTHER EXPENDITURE</b>                       |                                |                                |
|                 | Conveyance & Vehicle expenses                  | 522,609                        | 421,316                        |
|                 | Insurance                                      | 36,688                         | 15,895                         |
|                 | Professional charges                           | 228,752                        | 227,972                        |
|                 | Internal Audit Fee                             | 25,000                         | 25,000                         |
|                 | Electricity charges                            | 252,700                        | 297,902                        |
|                 | Internet Charges                               | 75,606                         | 86,348                         |
|                 | Directors Remuneration                         | 881,800                        | 989,387                        |
|                 | <b>Repairs &amp; Maintenance</b>               |                                |                                |
|                 | (i) Buildings                                  | 34,857                         | 139,678                        |
|                 | (ii) Plant and Equipments                      | 289,165                        | 122,248                        |
|                 | (ii) Others                                    | 27,486                         | 20,926                         |



| Note No.  | PARTICULARS   | 31st MARCH 2017<br>Rs. | 31st MARCH 2016<br>Rs. |
|-----------|---|------------------------|------------------------|
|           | Travelling Expenses   | 191,561                | 353,410                |
|           | Taxes paid  | -                      | 2,000                  |
|           | Rates & Taxes   | 113,514                | 276,999                |
|           | <b>Auditors Remuneration</b>  |                        |                        |
|           | (i) As Auditors   | 55,275                 | 55,000                 |
|           | (ii) Tax Audit Fee  | 10,050                 | 20,324                 |
|           | (iii) For Certification   | 3,517                  | 8,728                  |
|           | UIID Processing Charges   | 2,556,878              | 17,983,069             |
|           | Listing Fee   | 225,120                | 437,024                |
|           | NPR Data charges  | 9,689,517              | -                      |
|           | Other Expenses  | 577,212                | 579,390                |
|           | <b>Total</b>  | <b>15,797,307</b>      | <b>22,062,616</b>      |
| <b>25</b> | <b>Related Party Disclosures:</b>   |                        |                        |
|           | (a) Parties with whom the Company had transaction   |                        |                        |
|           | (b) Key Management Personnel<br>Mr. F .R. Bhote, Managing Director<br>Mr. Hanumaiah KS                                      |                        |                        |
|           | (c) Remuneration and other Benefits to Key Management Personnel<br>Mr. F. R. Bhote, Managing Director                       | 723,069                | 730,073                |
|           | Mr. Hanumaiah KS, Whole Time Director   | 245,800                | 353,387                |
| <b>26</b> | <b>Segment Reporting:</b>   |                        |                        |
|           | The Company has only one segment i.e., Software. It has identified India and Global as two Geographic Segments              |                        |                        |
|           | <b>Segment Revenue:</b>   |                        |                        |
|           | India   | 18,483,622             | 28,681,800             |
|           | Global  | 807,000                | -                      |
|           | <b>Total</b>  | <b>19,290,622</b>      | <b>28,681,800</b>      |
| <b>27</b> | (a) Investment in fixed deposit of Rs. 32.51 lakhs is given on lien to HDFC Bank in respect of Overdraft facility obtained. |                        |                        |
|           | (b) Lien of Fixed Deposit against Bank Guarantee is Rs. 6.00 lakhs  |                        |                        |
|           | (c) Bank Guarantee  | 1,529,900              | 600,000                |
| <b>28</b> | Following is the Gratuity liability recognised in the financial statements.   |                        |                        |
|           | Opening Defined Benefit Obligation  | 472,531                | 304,873                |
|           | Current Service cost  | 128,678                | 36,971                 |



| Note No.  | PARTICULARS   | 31st MARCH 2017<br>Rs. | 31st MARCH 2016<br>Rs. |
|-----------|---|------------------------|------------------------|
|           | Interest Cost   | -                      | 37,361                 |
|           | Net actuarial (Gain)/loss Recognised in the year  | 80,488                 | 93,326                 |
|           | Net Benefit Expenses  | 681,697                | 472,531                |
|           | Closing defined benefit obligation  | 681,697                | 472,531                |
|           | <b>Liability</b>  |                        |                        |
|           | (a) Short Term Liability  | 128,678                | 26,971                 |
|           | (b) Long Term Liability   | 472,531                | 435,560                |
|           | <b>Assumptions</b>  |                        |                        |
|           | Discount Rate   | 8%                     | 8%                     |
|           | Salary Rise   | 5%                     | 5%                     |
| <b>29</b> | <b>Earnings per Share:</b><br>(Basic and Diluted)   |                        |                        |
|           | Net Profit  | 134,515                | 263,735                |
|           | No. of Equity Shares - Fully Paid   | 4,251,700              | 4,251,700              |
|           | Earning per Share (Par Value Rs.10/-)   | 0.03                   | 0.06                   |
| <b>30</b> | <b>Earnings in Foreign Currency (FOB Value)</b>   | 807,000                | -                      |
| <b>31</b> | <b>Consumption of Software:</b>   | <b>Rs.</b>             | <b>%</b>               |
|           | Indigenous  | -                      | -                      |
|           | Imported  | -                      | -                      |
|           | <b>Total</b>  | -                      | -                      |
| 32        | Exceptional Items represent initial Processing fee for listing of Equity shares of company with Bombay Stock Exchange   |                        |                        |
| 33        | In the opinion of the Board of Directors, The Company does not have any impaired assets.  |                        |                        |
| 34        | In the opinion of the management, Fixed assets does not have any significant components. Further the life of the components are co-terminus with the life of the assets. As such depreciation has not been separately provided for components during the year |                        |                        |
| 35        | 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.   |                        |                        |
| 36        | In the opinion of the management, realisation from current assets will not be less than the amount at which they are stated in the Balance Sheet.   |                        |                        |



| Note No. | PARTICULARS   | 31st MARCH 2017<br>Rs. | 31st MARCH 2016<br>Rs.          |              |
|----------|---|------------------------|---------------------------------|--------------|
| 37       | Balances of Sundry Debtors, Creditors and loans and advances are as per books, subject to confirmation.                   |                        |                                 |              |
| 38       | Previous year figures have been recast / restated whenever necessary to confirm to the classification of the current year |                        |                                 |              |
| 39       | Amounts in the financial statements are presented in Rupees. All the figures have been rounded to the nearest Rupee.      |                        |                                 |              |
| 40       | <b>Particulars</b>  | <b>SBN's</b>           | <b>Other denomination notes</b> | <b>Total</b> |
|          | Closing Cash in Hand as on 08-11-2016   | 6,000                  | 17                              | 6,017        |
|          | (+) Permitted Receipts  | -                      | 34,267                          | 34,267       |
|          | (-) Permitted Payments  | -                      | 31,306                          | 31,306       |
|          | (-) Amount Deposited in Banks   | 6,000                  | -                               | 6,000        |
|          | Closing Cash in Hand as on 30-12-2016   | -                      | 2,978                           | 2,978        |

Per our report of even date  
For **RAMANATHAM & RAO**  
Chartered Accountants  
Firm No: 002934S

For and on behalf of the Board

**(C.KAMESWARA RAO)**  
PARTNER  
Membership No: 024363

**S.KHUDAVENTH**  
Chief Financial Officer

**F.R. BHOTE**  
Managing Director

Place : Secunderabad  
Date : 27th May, 2017

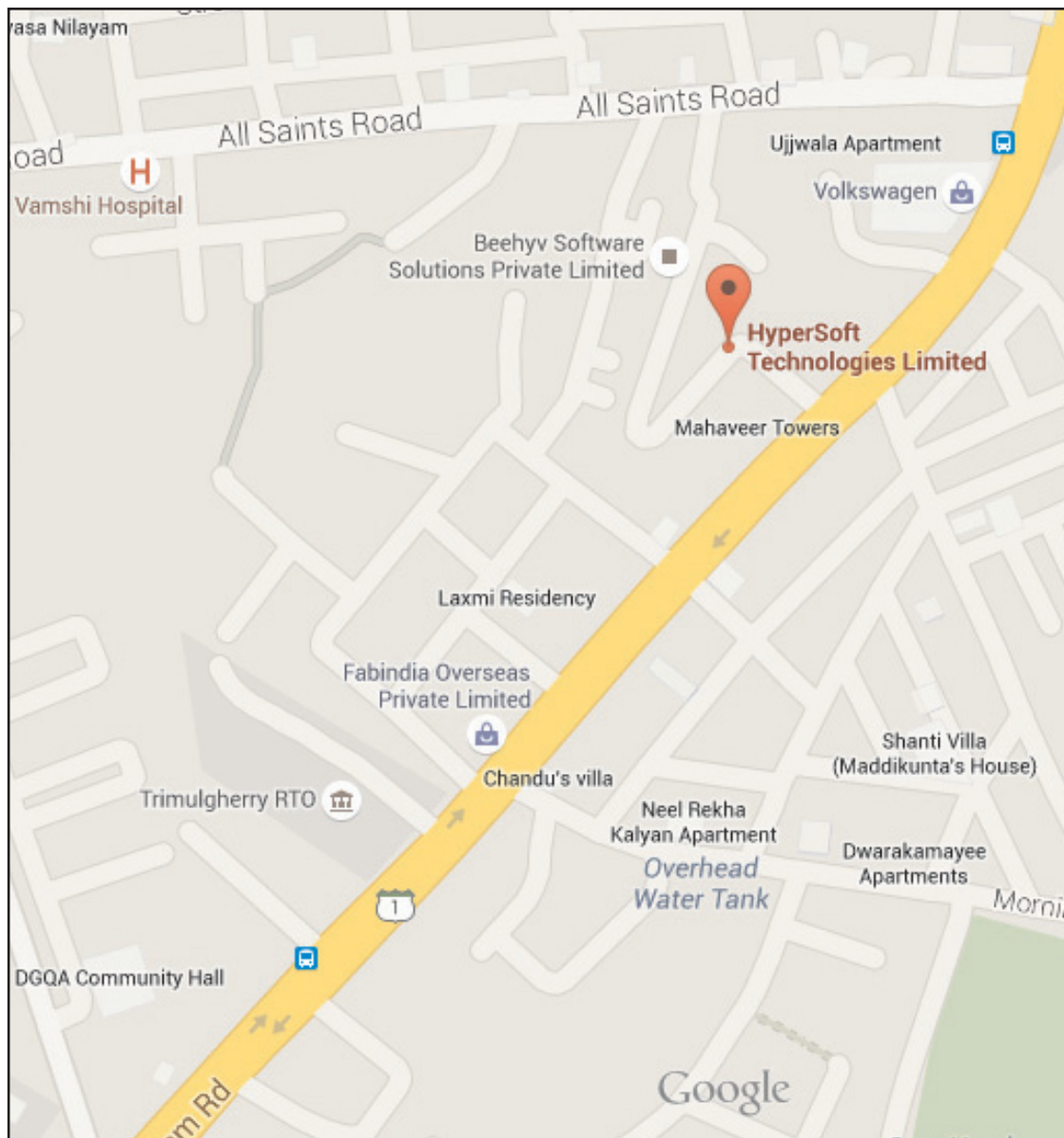
**GUMPENA NAGAJYOTHI**  
Company Secretary

**VINAY VIR**  
Director





## 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 :    |

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



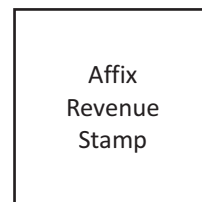
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual general meeting of the company, to be held on Thursday, the 28th day of September, 2017 at 4.00 p.m at the Registered office of the Company at 28, Goyal Society, Moti Valley, Tirmulgherry, Secunderabad – 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><br>To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017 and Profit & Loss Statement for the year ended on 31st March, 2017 together with notes and annexures thereto and the Report of Directors' and Auditors' thereon. |     |         |
| 2.      | To re-appoint Mr. F.R. Bhote, Managing Director who retires by rotation and being eligible, offers himself for re-appointment  |     |         |
| 3.      | To appoint Statutory Auditors of the Company   |     |         |
|         | <b>Special Business</b>  |     |         |
| 4.      | To appoint Mr. Premanshu Rana (DIN: 02303368) as Independent Director.   |     |         |

Signed this..... day of..... 2017

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.