



HYPERSOFT

TECHNOLOGIES LIMITED

CIN-L29309TG1983PLC003912

Date: 04/09/2020

The Secretary,
The BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort Mumbai - 400001.

Dear Sir,

Sub.: Submission of 37th Annual Report along with the Notice of the 37th Annual General Meeting (AGM) of the Company for the Financial Year 2019-20 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ref.: BSE Scrip Code: 539724

With reference to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the 37th Annual Report (FY 2019-20) of our company along with the notice of the 37th Annual General Meeting of the Company forming part of the Annual Report 2019-20.

We request you to take the above information on record and acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

For Hypersoft Technologies Limited,

(Priyanka Jain)
Company Secretary

Encl: As above.

HYPERSOFT TECHNOLOGIES LIMITED

THIRTY SEVENTH ANNUAL REPORT

2019-2020

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HYPERSOFT TECHNOLOGIES LIMITED

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. F.R. Bhote
Managing Director

Mr. Vinay Vir
Independent Director

Mrs. Geeta Feroz Bhote
Director

Mr. Joydip Lahiri
Independent Director

Mr. Shaik Khudaventh
Chief Financial Officer

Mr. Suresh Tantapureddy
Company Secretary
(Till 4th November, 2019)

Ms. Priyanka Jain
Company Secretary
(w.e.f. 24th December, 2019)

REGISTERED OFFICE

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

BRANCH

Mumbai
309-B, Commerce House,
Nagindas Master Road,
Fort, Mumbai-400 001

DEPOSITORY REGISTRARS & SHARE TRANSFER AGENTS

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

AUDITORS

M/s. Grandhy & Co
Chartered Accountants, Hyderabad
HDFC Bank Limited
Oriental Bank of Commerce

BANKERS

LISTING

BSE Limited
The Ahmedabad Stock Exchange Ltd

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 37TH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. HYPERSOFT TECHNOLOGIES LIMITED (L29309TG1983PLC003912) WILL BE HELD ON WEDNESDAY, 30TH DAY OF SEPTEMBER, 2020, AT 4:00 P.M. THROUGH VIDEO CONFERENCE (VC) FACILITY/ OTHER AUDIO VISUAL MEANS (OAVM) TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business:

- 1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2020 and Profit & Loss Statement for the year ended on 31st March, 2020 together with notes and annexures thereto and the Report of Directors' and Auditors' thereon.**

“RESOLVED THAT the Audited Balance Sheet as at 31st March, 2020 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 Ms. Geeta Bhote Feroz, Director who retires by rotation and being eligible, offers herself for re-appointment**

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

Special Business:

- 3. To ratify the re-appointment and revision in terms of remuneration of Mr. Feroz Russi Bhote as Managing Director of the Company**

To consider Special Resolution:

“RESOLVED THAT in pursuant to provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “Act”) and relevant rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), based on the recommendations of Nomination & Remuneration Committee, consent of the members, be and is hereby accorded for the re-appointment of Mr. Feroz Russi Bhote (DIN: 00156590), Managing Director of the Company for a period of 3 (three) years w.e.f. 15th February, 2020 and to hold office upto 14th February, 2023 and revision in the overall limits of remuneration payable to him during his tenure and other terms and conditions of his appointment and with liberty to the board to alter and vary the terms of the said appointment and/or remuneration from time to time as is deems fit within the ceilings mentioned herein below:

I) Salary: Such sum not exceeding Rs.18,00,000 Per annum as may be determined by board from time to time.

II) Bonus: As determined by the Board of Directors

III) Perquisites:

a) Housing

- i. The expenditure incurred by the Company on hiring a furnished accommodation for the Managing Director shall be subject to a ceiling of 60% of the salary over and above 10% payable by him.
- ii. In case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company.
- iii. In case of no accommodation is provided by the Company, the Managing Director shall be entitled to a House Rent Allowance subject to the ceiling laid down in (i) above.
- iv. The expenditure incurred by the Company on Gas, Electricity, Water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall however be subject to a ceiling of 10% of the salary of the Managing Director.

b) Medical reimbursement

Expenses incurred for self and family subject to a ceiling of one month's per year or three month's salary in a period of five years.

c) Club Fee

Club fee towards membership at 2(Two) Club

d) Children Education

Children Education fee subject to a maximum of two children as per Income Tax Rules.

IV) Leave Encashment

Earned leave with full pay and allowances as per the rules of the Company. Leaves accumulated but not availed during his tenure will be allowed for encashment.

V) Paid Vacation

As per the Company's Vacation Policy

VI) Contribution to Provident Fund etc.

Contribution to provident fund, superannuation fund or annuity fund as per the rules that may be framed by the Company and will not be included in the computation of the ceiling on perquisites to the extent not taxable under Income tax Rules.

VII) Gratuity

Gratuity payable shall not exceed half a month last salary for each completed year of service.

VIII) Provision of Car and Telephone

The Company shall provide car for official business and telephone at residence for the appointee and these will not be treated as perquisites.
However personal long distance calls on telephone and use of car for private purposes shall be billed by the Company.

IX) Stock Option

Subject to the approval of the Company's Board of Directors or its Nomination or Remuneration Committee and pursuant to the provisions of Companies Act, 2013, for adoption of equity incentive plan, you will be granted an option to purchase 10,000 equity shares of the Common Stock of the Company (the "Option").

The exercise price per share of the Option will be determined by the Board of Directors or the Compensation Committee when the Option is granted. The Option will be subject to the terms and conditions applicable to options granted under the Company's Stock Plan (as adopted, the "Plan"), as described in the Plan and the applicable Stock Option Agreement. You will vest in 5% of the Option shares after 12 months of continuous service, and the balance will vest in equal monthly instalments over the next 36 months of continuous service, as described in the applicable Stock Option Agreement.

RESOLVED FURTHER THAT any one Director of the Company be and is hereby authorized to do all such acts, matter, deeds and things as may be necessary to give effect to the aforesaid resolution, including but not limited to making necessary filings with the concerned Registrar of Companies, updating register of directors of the Company, etc."

For and on behalf of Board of Directors

Place: Secunderabad
Date: 04th September, 2020

(Feroz Russi Bhote)
Managing Director
DIN: 00156590

NOTES FOR MEMBERS' ATTENTION:

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 and the Rules made there under in respect of the special business set out in the notice, Secretarial Standard on General Meetings (SS-2), wherever applicable, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) wherever applicable, is annexed hereto.
2. In view of the continuing COVID-19 pandemic, for maintaining social distancing norms and pursuant to General Circular No.s 14/2020, 17/2020 and 20/2020 dated 8 April 2020, 13 April 2020 and 5 May 2020, respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 issued by the Securities and Exchange Board of India (collectively referred to as 'the Circulars') permitted the holding of AGM through VC/OAVM, without the physical presence of the members at a common venue. Accordingly, the 37th AGM of the company will be convened through VC/OAVM in compliance with the provisions of the Companies Act, 2013 and Rules made there under, Listing Regulations read with the aforesaid Circulars. The deemed venue for the 37th AGM shall be the registered office of the company i.e. Flat no. 28, Goyal Society, Moti Valley, Tirmulgerry, Secunderabad-500 015, Telangana India.
3. In line with the circulars, the company is providing VC/OAVM facility to its members to attend the AGM. The facility for attending the AGM virtually will be made available for 100 members on first come first served basis. This will not include large members, promoters, institutional investors, directors, key managerial personnel, the chairpersons of the audit committee, nomination, governance and compensation committee and stakeholders' relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The VC/OAVM facility for members to join the meeting, shall be kept open 30 minutes before the start of the AGM and shall be closed on expiry of 30 minutes after start of the AGM. Members can attend the AGM through VC/OAVM by following the instructions mentioned in this notice
5. Corporate members whose authorized representatives are intending to attend the meeting are requested to send to the company at accounts@hypersoftinida.net a certified copy of the board resolution authorizing such representative to attend the AGM through VC/OAVM, and cast their votes through e-voting.
6. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

7. The statutory registers including register of directors and key managerial personnel and their shareholding, the register of contracts or arrangements in which directors are interested maintained under the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection in electronic mode. Members who wish to inspect the register are requested to write to the company by sending e-mail to accounts@hypersoftindia.net
8. In accordance with the aforesaid Circulars, the notice of the AGM along with the annual report for the financial year 2019-20 has been sent only through electronic mode to the members who have registered their e-mail addresses with the company/depository participants. Members may note that the notice of AGM and annual report are also available on the company's website: www.hypersoftindia.com. The notice of AGM and annual report will also be available on the website of Stock Exchanges (www.bseindia.com).
9. In accordance with the aforesaid Circulars, no physical copy of the notice of the AGM and the annual report for the financial year 2019-20 has been sent to members who have not registered their e-mail addresses with the company/depository participants. The members will be entitled to a physical copy of the annual report for the financial year 2019-20, upon sending a request to the company secretary at Flat no. 28, Goyal Society, Moti Valley, Tirmulgerry, Secunderabad-500 015, Telangana India.
10. In accordance with the Circulars, members who have not registered their e-mail address may register their e-mail address: M/s. CIL Securities Ltd on or with their depository participant or send their consent at accounts@hypersoftindia.net along with their folio no./DP ID client ID and valid e-mail address for registration.
11. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the Listing Regulations and the aforesaid Circulars, the company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this notice. The detailed instructions for e-voting and attending the AGM through VC/OAVM are given as a separate attachment to this notice.
12. Members, desiring any information relating to the financials from the management or the statutory auditors, are requested to write to the company at an early date.
13. Members are requested to intimate immediately, any change in their address to their depository participants with whom they are maintaining their demat accounts. If the shares are held in physical form, change in address has to be intimated to the company's registrar and transfer agent (RTA), M/s. CIL Securities Ltd, Regd. Office: 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad -500 001, Telangana.

14. SEBI has mandated the submission of permanent account number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form should submit their PAN to the company or its RTA.
15. The Register of Members and Share Transfer Books of the Company in respect of Equity Shares will remain closed from 26th September, 2020 to 30th September, 2020 both the days inclusive.
16. Since the AGM will be held through VC/OAVM, the route map is not annexed in this notice.
17. Since this AGM will be held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
18. The Video link through which a member may be able to join the AGM will be shared separately.
19. Members who need assistance before or during the AGM, can contact Mr. Shaik Khudaventhat Email Id-accounts@hypersoftindia.net Phone No. 7702706413
20. 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.
21. 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.
22. 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 37th 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).
23. The Company has appointed Mr. P Surya Prakash, Company Secretary in practice, Hyderabad (Membership No. FCS 9072) as scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

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

In case of members receiving e-mail:

- i. Log on to the e-voting website www.evotingindia.com
- ii. Click on "Shareholders" tab.
- iii. Now, select the "HYPERSOFT TECHNOLOGIES LIMITED" from the drop down menu and click on "SUBMIT"
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. - Your sequence number is printed on bottom side of the address sticker.
DOB	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.
Dividend Bank Details	- Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. - 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).

- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant HYPERSOFT TECHNOLOGIES LIMITED on which you choose to vote.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. 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 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.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access the same at www.evoting.nsdl.com under shareholders login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholders login where the EVSN of company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-voting system of NSDL.
2. Members are encouraged to join the meeting through laptops instead of mobiles for better experience.
3. Further members will be required to allow camera usage on their systems and use a good speed internet to avoid any disturbance during the meeting.
4. Please note that participants connecting through mobile devices or tablets or laptop, via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ask questions during the meeting need to register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, e-mail ID and mobile number at accounts@hypersoftindia.net on or before 26th September, 2020 (6:00 pm IST)
6. Those members who have registered themselves as a speakers in advance will only be allowed to express their views/ask questions during the meeting.
7. The company reserves the right to limit the number of speakers depending on the availability of time at the AGM.
8. In case any assistance is needed, members may contact the company or RTA or CDSL.

Commencement of e-voting:

- The voting period begins on 27th September, 2020 at 10:00 A.M. and ends on 29th September, 2020 at 17:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 24th September, 2020 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 under help section or write an email to helpdesk.evoting@cdslindia.com.
- The voting period again will commence half an hour prior to the meeting and will be closed as soon as the proceedings of the meeting are completed.

EXPLANATORY STATEMENT

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

Item No.:3 To ratify the re-appointment and revision in terms and conditions of remuneration of Mr. Feroz Russi Bhote (holding DIN 00156590), as a Managing Director of the Company.

Background details:

Mr. Feroz Russi Bhote, is a Computer Engineer by qualification, he has done his graduation in Computer Science. Mr. Feroz Russi Bhote has total 35 years of experience in software industry.

2.Past remuneration:

Mr. Feroz Russi Bhote, Managing Director has been reappointed with the existing remuneration limits as mentioned in the resolution No.3.

3.Recognition or awards

Mr. Feroz Russi Bhote has been recognized and awarded by the current and past employer at several occasions.

4.Job profile and his suitability:

Mr. Feroz Russi Bhote is responsible for Software development functions for India and other markets.

5. Remuneration proposed

A detailed remuneration as mentioned in agenda no. 3 of AGM notice.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).

The compensation offered to the managerial professionals like Mr. Feroz Russi Bhote is at par with the industrial standard based on his past experience and performance. Therefore, the salary proposed to Mr. Feroz Russi Bhote is justified when compared to the remuneration paid at similar level in the other comparative companies.

7.Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr. Feroz Russi Bhote is a shareholder and has a pecuniary relationship directly or indirectly with the company.

III. Other information:

1.Reasons for loss or inadequate profits

There are losses in the Company as on the last date of financial year preceding the financial year where the re-appointment is made (i.e., 31st March, 2020). We expect robust growth in future.

2.Steps taken or proposed to be taken for improvement

In tune with the changing trend, the Company has taken steps to expand its operations and diversification plans. These efforts are expected to yield good results.

3.Expected increase in productivity and profits in measurable terms

Company is expecting the better profitability in the coming years.

Brief information and experience of Mr. Feroz Russi Bhote as per the provisions of the Act read with Secretarial Standards issued by Institute of Company Secretaries of India:

Name	Feroz Russi Bhote
Age	64 Years
Qualifications	Computer Science
Experience	35 Years
Terms and conditions of re-appointment along with details of remuneration sought to be paid	As detailed in Item No. 3 of the AGM Notice
Remuneration last drawn	Gross amount of Rs. 18,00,000 for f.y. ending 31st March, 2020
Date of first appointment on the Board	18/04/1983
Shareholding in the Company	641650 equity shares
Relationship with other Directors/Manager or Key Managerial Personnel	Husband of Mrs. Geeta Bhote Feroz
Number of Board Meetings attended during the year	6 (six)

Other Directorships and Memberships/ Chairmanship of Committees of other Boards	CIL Securities Limited
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Your Directors consider that the re-appointment and revision in terms and conditions of Mr. Feroz Russi Bhote as a Managing Director will be in the best interest of the Company.

The Directors recommend this resolution for approval of the members. No Director, Key Managerial Personnel or their relatives are interested, except Mr. Feroz Russi Bhote is concerned or interested in this Resolution.

Additional Information

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

Name of the Director	Date of Appointment	Qualification	DOB	Expertise in specific functional areas	Name of other Companies in which the person holds directorship or membership of committees of the Board	Number of shares held in Hypersoft Technologies Limited
Mrs. Geeta Bhote Feroz	06-02-2015	Master Degree in Computer Science	29-04-1955	-	-	-
Mr. Feroz Russi Bhote	18-04-1983	Master Degree in Computer Science	14-07-1956	Computer Software	CIL Securities Limited	641650

For and on behalf of Board of Directors

**Place: Secunderabad
Date: 04th September, 2020**

**(Feroz Russi Bhote)
Managing Director
DIN: 00156590**

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are happy to present 37th Annual Report and the Financial Results for the year ended on 31st March, 2020.

1. Financial Results:

(Rs. in Lakhs)		
Particulars	2019-2020	2018-2019
Income from operations	77.92	71.30
Other Income	17.92	15.83
Total Income	95.84	87.13
Total Expenditure excluding depreciation	86.78	101.24
Depreciation	4.61	5.95
Total Expenditure	91.39	107.19
Net Profit / (Loss) before Tax & Exceptional Items	4.44	(20.06)
Exceptional Items (Exp)	59.92	0
Net Profit / (Loss) before Taxation	(55.48)	0
Provision for Taxation	0.95	0
Deferred Tax	(24.69)	(0.29)
Net Profit / (Loss) after Taxation	(31.73)	(19.77)

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

Review of Business & Outlook:

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

Your Company has tied up with Trade lab, adding synergy to the product line of Stock broking. With this tie-up, an end-to-end solution for Stock brokers is now being created – from trading to accounting to back office a seamless system is available.

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

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

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

Opportunities and Threats:

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

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

Outlook:

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

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

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

Risk and Concerns:

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

Internal control systems and their adequacy:

The Company has a proper and adequate system of internal controls. This ensures that all transactions are authorized, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition there are operational controls and fraud risk controls, covering the entire

spectrum of internal financial controls. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

Discussion on financial performance with respect to operational performance:

During the year under review, your Company made a Turnover of Rs. 77.92 Lakhs as against Rs. 71.30 Lakhs for the previous year and incurred a loss of Rs. (31.73) Lakhs as against a loss of Rs. (19.77) Lakhs for the previous year.

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 2019-20.

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, 2020 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 29th May 2019; 29th July 2019; 23rd August 2019; 04th November 2019, 23rd December, 2019 and 31st January 2020.

7. Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT9** 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 demarcate their functions of governance and management. As on March 31, 2020, the Board consists of 4 (four)

members, one of whom is executive, three is non-executive and out of which two are independent directors. The Board periodically evaluates the need for change in its composition and size. The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-Section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is appended as **Annexure-II** to the Board's report. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

9. Directors and Key Managerial Personnel:

The following changes took place in the composition of the Board of Directors for the Financial Year 2019-20:

1. Resignation of Mr. Suresh Tantapureddy as a Whole-time Company Secretary of the Company w.e.f 04th November 2019
2. Appointment of Ms. Priyanka Jain as a Whole-time Company Secretary of the Company w.e.f. 24th December 2019.
3. Re-appointment of Mr. Feroz Russi Bhote as Managing Director w.e.f. 15th February, 2020

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

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

on 28th September, 2017 till the conclusion of the thirty-ninth AGM of the Company in 2022.

There are no observations, qualifications and remarks in the auditors report for financial year ended 31st March, 2020.

19. Secretarial Auditor:

R & A Associates, Practicing Company Secretaries, was appointed to conduct the secretarial audit of the Company for the financial year 2019-20, as required under Section 204 of the Companies Act, 2013 and Rules there under.

The secretarial audit report for financial year 2019-20 forms part of the Annual Report as **Annexure-III** to the Board's report.

20. 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, 2019 to 31st March, 2020, a certificate from the auditors of the Company is enclosed.

21. 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

22. 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 loss of the Company for that period;

- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of 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.

23. Corporate Social Responsibility–Not Applicable

24. 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.

25. Secretarial Standards

The Company is in compliance of Secretarial Standards during the financial year 2019-2020.

26. 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.

27. 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.

28. 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 there under for prevention and redressal of complaints of sexual harassment at workplace. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment and the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2019-20, the Company has not received any complaints on sexual harassment.

29. 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):

(a) 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.

(b) 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.

(c) 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.

(d) Expenditure on R & D: NIL

Adaptation and Innovation:

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

C. Foreign Exchange Earnings & Outgo:

Particulars	2019-2020 (in Rs.)	2018-2019 (in Rs.)
Foreign Exchange Earnings	78,000	48,986
Foreign Exchange Outgo:		
Purchase	-	-
Expenses	-	-

30.Appreciation:

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

For and on behalf of Board of Directors

Place: Secunderabad
Date: 04th September, 2020

(Feroz Russi 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 2019-2020

Sl. No.	Name of Director	Designation	Ratio of remuneration of each Director to median remuneration of Employees
1.	Mr. Feroz Russi Bhote	Managing Director	6.98

2. Percentage increase in remuneration of each director and KMP in the financial year 2019-2020

Sl. No.	Name of Director/CFO	Designation	% increase in Remuneration in the Financial Year 2019-2020
1.	Mr. Feroz Russi Bhote	Managing Director	NIL
2.	Mr. Shaik Khudaventh	CFO	10%
3.	Ms. Priyanka Jain	Company Secretary (w.e.f 24 th December, 2019)	Nil

3. The percentage increase in the median remuneration of employees in the financial year 2019-2020 was 0.94%
4. There are 11 (Eleven) permanent employees on the rolls of company as on 31st March, 2020.
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 2019-20	Rs. 26,69,303
Total Revenue of the Company in FY 2019-20	Rs. 95,84,438
Remuneration of KMP (as % of revenue)	27.85 %

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 9.95% whereas the increase in the managerial remuneration was 6.84%
9. Comparison of each remuneration of the KMP against the performance of the company:

Particulars	Managing Director	CFO	CS
Remuneration of Key Managerial Personnel in FY 2019-20	Rs.18,00,000	Rs.6,60,000	Former CS – Rs.1,27,200 Present CS – 82,103
Total Revenue of the Company in FY 2019-20	Rs. 95,84,438	Rs. 95,84,438	Rs. 95,84,438
Remuneration of KMP (as % of revenue)	18.78%	6.88%	2.18%

10. The key parameters of any variable component of remuneration availed by the directors - Nil
11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Nil
12. It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

For and on behalf of Board of Directors

Place: Secunderabad
Date : 04thSeptember, 2020

(Feroz Russi 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 31-03-2020

[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, Tirumlgerry , Secunderabad, Telangana-500015
Vi	Whether listed company	Yes
Vi i	Name , Address & contact details of the Registrar & Transfer Agent, if any.	CIL Securities Ltd 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyd -500001. Tel. # 040-23202465, 23203155 Fax # (040) 23203028, 66661267 Email: advisors@cilsecurities.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Software Maintenance	Division-62 Group - 620 Class -6201 Sub-class -62013	90.41

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

i) Category-wise Share Holding

[illegible]

Total shareholding of Promoter (A)	1483575	-	1483575	34.89	1483575	-	1483575	34.89	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	542831	227700	770531	18.12	542107	227700	7698070	18.11	(0.01)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals			-	-			-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	357173	391900	749073	17.62	351999	391900	743899	17.50	(0.12)
ii) Individual shareholders holding nominal share capital in	931031	197400	1128431	26.54	936929	197400	1134329	26.68	0.14

excess of Rs 1 lakh									
c) Others (specify)									
Non Resident Indians	120090	-	120090	2.82	120090	-	120090	2.82	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies	-	-	-	-	-	-	-	-	-
Directors/Relative s	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	1951125	817000	2768125	65.10	1951125	817000	2768125	65.10	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1951125	817000	2768125	65.10	1951125	817000	2768125	65.10	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3434700	817000	4251700	100	3434700	817000	4251700	100	-

ii) Shareholding of Promoters:

S N o	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% chang e in share holdin g durin g the year
		No. of shares	% of total shares of the compa ny	% of shares pledged encumber ed to total shares	No. of shares	% of total shares of the compa ny	% of shares pledged encumber ed to total shares	
1.	Dadabhoy RussiBhote	511675	12.04	-	511675	12.03	-	-
2.	FerozRussiBh ote	605650	14.24	-	641650	15.09	-	0.85
3.	Kashmira Dadabhoy Bhote	230900	5.43	-	254000	5.97	-	0.54
4.	R D Bhote	58250	1.37	-	58250	1.37	-	
5.	Bhote Sillo Russi	36000	0.85	-	-	-	-	(0.85)
6.	Amy Russi Bajina	23100	0.54	-	-	-	-	(0.54)
7.	Urmez Feroz Bhote	18000	0.42	-	18000	0.42	-	
	Total	14835 75	34.89	-	14835 75	34.89	-	-

iii) Change in Promoters' Shareholding :

Si No.	Name of the Shareholder	No. of Shares at the beginning of the Year	% of total shares of the company	No. of Shares Brought or Sold during the year	No. of Shares at the end of the year	% of total shares of the company	% Change in share holding during the year
1.	Feroz Russi Bhote	605650	14.24%	36000	641650	15.09%	0.85
2.	Kashmira Dadabhoy Bhote	230900	5.43	23100	254000	5.97%	0.54
3.	Bhote Sillo Russi	36000	0.85	(36000)	-	-	(0.85)
4.	Amy Russi Bajina	23100	0.54	(23100)	-	-	(0.54)

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

S. No.	Name of the Shareholder	No. of Shares at the beginning of the Year	% of total shares of the company	No. of Shares Brought or (Sold) during the year	No. of Shares at the end of the year	% of total shares of the company	% Change in share holding during the year
1.	Savio Pinto	250000	5.88	-	250000	5.88	-
2.	Incotel Software Solutions (OPC) Private Limited	178155	4.19	-	178155	4.19	-
3.	ZEN Securities Ltd	200000	4.70	-	200000	4.70	-
4.	Nalluri Chandrashekar Murthy	120000	2.82	-	120000	2.82	-
5.	Ranjit Malik	104287	2.45	-	104287	2.45	-
6.	Latin Maharlal Securities Pvt Ltd	100000	2.35	-	100000	2.35	-

7.	RVG Investments & Tech P Ltd	100000	2.35	-	10000 0	2.35	-
8.	Bodhtree Consulting Limited	100000	2.35	-	10000 0	2.35	-
9.	N C Nagarajan	93585	2.20	-	93585	2.20	-
10.	V Nagesh	71000	1.67	-	71000	1.67	-

v) Shareholding of Directors and Key Managerial Personnel:

S 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.	F.R Bhote				
	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):	36000	--	36000	--
	At the end of the year	641650	15.09	641650	15.09

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

S. No.	Particulars of Remuneration	Name of KMP
		Feroz Russi Bhote
1	Gross salary	Rs.
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	27,947

	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify...	-
5	Others, please specify (PF)	1,51,200
	Total (A)	19,79,147
	Ceiling as per the Act	30,00,000

B. Remuneration to other Directors: Nil

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

<i>S. No.</i>	<i>Particulars of Remuneration</i>	<i>Key Managerial Personnel</i>		<i>Total</i>
		CFO	CS	
1	Gross salary	Rs.	Rs.	Rs.
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,60,000	Former CS – 1,27,200 Present CS – 82,103	8,69,303
	(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)	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total	6,60,000	2,09,303	8,69,303

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

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

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

*[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, Tirmulgerry, Secunderabad,
Telangana-500015

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hypersoft Technologies Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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 during the financial year 2019-2020 i.e. from 01st April, 2019 to 31st March, 2020 ('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, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period).**
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(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).**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period) and**
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

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

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 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 were carried out unanimously as recorded in the minutes of the meetings of the board of directors or committees of the board, as the case may be.

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

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

We further report that during the Audit Period the Company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines and standards, etc.

This report is to be read with my letter of even date which is annexed as Annexure – A and forms an integral part of this report.

For R & A Associates

Place : Hyderabad
Date : 04th September,2020

(G Raghu Babu)
Practicing Company Secretary
FCS. No.# 4448
C.P.No.# 2820
UDIN: F004448B000660433

“Annexure – A”

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

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 **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. Wherever 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.
7. With regards to various submission(s) of information / document and compliance thereof made by the Company with the stock exchanges, the reporting of compliance was made based upon the information / documents available.

For R & A Associates

Place : Hyderabad
Date : 04th September, 2020

(G Raghu Babu)
Practicing Company
Secretary
FCS. No.# 4448
C.P.No.# 2820

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members

Hypersoft Technologies Limited

28, Goyal Society,

Moti Valley, Tirmulgerry, Secunderabad,

Telangana-500015

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hypersoft Technologies Limited, having CIN (Corporate Identification Number) L29309TG1983PLC003912 and having registered office at 28, Goyal Society, Moti Valley, Tirmulgerry, Secunderabad, Telangana-500015 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause (10)(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No	Name of Director	DIN	Date of appointment in Company
1.	Feroz Russi Bhote	00156590	18/04/1983
2.	Vinay Vir	02378210	24/10/2008
3.	Geeta Bhote Feroz	06976756	06/02/2015
4.	Joydip Lahiri	07385700	28/05/2018

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R & A Associates

Place : Hyderabad

Date : 04/09/2020

(G Raghu Babu)

Practicing Company Secretary

FCS. No.# 4448, C.P. No # 2820

UDIN: F004448B000660411

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2019-2020

Company's Philosophy:

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

A. Board of Directors:

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

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

S. No.	Name of the Director	Category
1.	Mr. Feroz Russi Bhote	Promoter & Managing Director
2.	Mr. Vinay Vir	Non-Executive & Independent Director
3.	Mr. Joydip Lahiri (w.e.f. 28 th May, 2018)	Non-Executive & Independent Director
4.	Mrs. Geeta Feroz Bhote	Non-Executive Director

The Composition and Category of Directors as on 31st March, 2020 was as under:

S. No.	Name of the Director	Category
1.	Mr. Feroz Russi Bhote	Promoter & Managing Director
2.	Mr. Vinay Vir	Non-Executive & Independent Director
3.	Mr. Joydip Lahiri (w.e.f. 28 th May, 2018)	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 2019-2020 and at the last Annual General Meeting held on 28th September 2019:

Name of the Director	Board Meetings held and eligible to attend during the Year	Meetings attended	Last AGM
Mr. Feroz Russi Bhote	6	6	Present
Mr. Vinay Vir	6	6	Absent
Mrs. Geeta Feroz Bhote	6	6	Present

Mr. Joydip Lahiri	6	4	Absent
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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 29th May 2019; 29th July 2019; 23rd August 2019; 04th November 2019, 23rd Decemeber,2019 and 31st January 2020.

4) Disclosure of relationships between directors inter-se:

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

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

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

6) Familiarization program for Independent Directors:

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

B. Audit Committee:

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

1) Brief description of terms of reference:

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

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

- findings.
- f) Discussion with external auditors regarding nature and scope of audit.

2) Composition of Committee and details of meetings attended by its Members

Name of the Member	Category	Meetings held and eligible to attend during the Year	Meeting attended
Mr. Vinay Vir (Chairman)	Independent Director	4	4
Mr. F. R. Bhote	Managing Director	4	4
Mr. Joydip Lahari	Independent Director	4	4

The Committee met 4(Four) times during this financial year on 29/05/2019, 29/07/2019, 04/11/2019 and 31/01/2020

C. Nomination & Remuneration Committee:

1) Brief description of terms of reference:

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

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

Name of the Member	Meeting held during the year	Meeting attended
Mr. Vinay Vir	2	2
Mrs. Geeta Feroz. Bhote	2	2
Mr. Joydip Lahari	2	2

The Committee met 2(two) times during this financial year on 23/12/2019 and 31/01/2020

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 31/01/2020.

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
Salary	18,00,000
Perquisites	27,947
Provident Fund	1,51,200
Total	19,79,147

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

D. Shareholders / Investors Grievance Committee:

1) Terms of reference

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

2) Composition, name of members and Chairman:

The Committee comprises of the following directors

(i) Mr. Vinay Vir	-	Chairman
(ii) Mrs. Geeta FerozBhote	-	Member
(iii) Mr. Joydip Lahari	-	Member

3) Name and Designation of Compliance Officer:

Mr. Suresh Tantapureddy, Whole-time Company Secretary and Compliance Officer (till 04th November, 2020)

Ms. Priyanka Jain, Whole-time Company Secretary and Compliance Officer (w.e.f. 24th December, 2019)

4) No. of Shareholders Complaints received during the year 2019-20:

During the year 2019-20, 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 2019-20, 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:

Financial Year	AGM	Venue	Time & Date of AGM
2016-2017	34 th AGM	Registered Office	4:00 p.m. on 28 th September, 2017
2017-2018	35 th AGM	Registered Office	3:00 p.m. on 28 th September, 2018
2018-2019	36 th AGM	Registered Office	3:00 p.m. on 28 th September, 2019

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 Wednesday, 30th September 2020 at 4:00 P.M. through video conference

2) Financial Calendar for 2020-2021 (tentative):

<u>Quarter ending on</u>	<u>Reporting on</u>
30 th June, 2020	04 th September, 2020 (Completed)
30 th September,2020	Last week of October, 2020
31 st December, 2020	Last week of January, 2021
31 st March,2021	Last week of May, 2021

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 26th September,2020 to 30th Septmeber,2020 (both the days inclusive).

4) Listing on Stock Exchanges:

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

5) Scrip Code: BSE Limited: 539724

6) Market price data:

S.No	Month	High (Rs.)	Low (Rs.)
1	April, 2019	No Trading	No Trading
2	May, 2019	4.75	4.75
3	June, 2019	No Trading	No Trading
4	July, 2019	No Trading	No Trading
5	August, 2019	No Trading	No Trading
6	September, 2019	5.35	4.98
7	October, 2019	6.75	5.35
8	November, 2019	No Trading	No Trading
9	December, 2019	6.50	6.50
10	January, 2020	No Trading	No Trading
11	February, 2020	6.18	6.18
12	March, 2020	6.18	6.18

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

	1stApril, 2019	31st March, 2020	% change
Company Share Price (closing)	7.99	6.17	(22.77)

Sensex (Closing)	38,871.87	29,468.49	(24.19)
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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, 2020:

Sl. No.	Category	No. of Shareholders	Percentage of Shareholders	No. of Equity Shares	Percentage of Shareholding
0	500	467	64.06	43772	1.03
501	1000	57	7.82	51389	1.21
1001	2000	33	4.53	54759	1.29
2001	3000	49	6.72	121726	2.86
3001	4000	13	1.78	48741	1.14
4001	5000	33	4.53	160709	3.78
5001	10000	36	4.94	292395	6.88
10001	4251700	41	5.62	3478209	81.81
TOTAL		729	100.00	4251700	100.00

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, 2020 a total no of 34,34,700 equity shares of the Company stand dematerialized constituting 65.870% of the paid-up share capital of the Company.

12) Outstanding GDRs / ADRs / Warrants / Convertible Debentures during the year 2019-2020:

The Company has not issued any GDRs / ADRs / Warrants / Convertible Debentures during the year 2019-2020.

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

14) Plant Locations:

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

Development facilities / Branch	Location
Hyderabad	28, Goyal Society, Moti Valley, Tirmulgherry, Secunderabad – 500 015.
Mumbai	309-B, Commerce House, Nagindas Master Road, Fort, Mumbai – 400001.

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 UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING
OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I, Feroz Russi Bhote, Managing Director do hereby declare that pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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: Secunderabad
Date : 04th September, 2020

Feroz Russi 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 2020, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

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

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

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

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

Place: Secunderabad
Date: 04thSeptember, 2020

Naresh Chandra Gelli V
Partner
M. No. 201754

Independent Auditor's Report

To the Members of Hypersoft Technologies Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Hypersoft Technologies Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, loss under total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

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

matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<i>Accuracy of recognition, measurement, presentation and disclosure revenues and other related balances in view adoption of Ind AS 115 "Revenue from Contracts with Customers" Revenue accounting standard applicable from 1st April 2018.</i> Application of the new revenue accounting standard from the current financial year involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, appropriateness of the basis used to measure revenue recognized over a period, and disclosures including presentations of balances in the standalone financial statements. Estimated efforts is a critical estimate to determine revenue, as it requires consideration of progress of the contract, efforts incurred till date, efforts required to complete the remaining performance obligation. Refer Note 22 to the financial statements.	<u>Principal Audit Procedures:</u> We assessed the Company's internal process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows: • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of existing continuing contracts and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. • Tested the relevant information, accounting systems and change relating to contracts and related information used in recording and disclosing revenue in accordance with new revenue accounting standard. • Reviewed a sample of contracts to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. • Performed analytical procedures and test of details for reasonableness and other related material items.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report and Corporate Governance Report but does not include the financial statements and our auditor's report thereon. The Directors Report and Corporate Governance Report are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Directors report and Corporate Governance Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to

communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act based on our audit, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the is accordance with provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Sec 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For GRANDHY & Co
Chartered Accountants
Firm Regn. No 001007S
UDIN:2020175AAAABH5637

(Naresh Chandra Gelli)
Partner
M.No. 201754

Place: Secunderabad
Date: 28th July, 2020

Annexure – A 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 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

**Place: Secunderabad
Date: 28th July, 2020**

Annexure - B 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 31st March 2020, 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 inventory in the form of software products and licenses. The management has carried out physical verification of inventory at reasonable interval. management.
- 2.2 As per the information given to us are no material discrepancies noticed on such verification.
- 3.1 The Company has not granted any loans, secured or unsecured during the period. Thus paragraphs 3 (iii) of the order is not applicable to the company.
- 4.1 In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments or provided securities to companies and other parties listed under section 185 and 186 of the Act.
- 5.1 The Company has not accepted any deposits from the public.
- 6.1 The Central Government has not prescribed the maintenance of Cost records under section 148 (1) of the Act, for any of the services rendered by the Company.
- 7.1 According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services Tax and other taxes to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts are payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax and other taxes were in arrears as at 31st March 2020 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 has not defaulted on any loans or borrowings from any financial

institution, banks, government or debenture holders during the year.

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

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

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

**Place: Secunderabad
Date: 28th July, 2020**

Balance Sheet as at March 31, 2020			
All amounts in INR			
Particulars	Note No	As at March 31,2020	As at March 31,2019
ASSETS			
Non-current assets			
Property, plant and equipment	2	19,939,133	20,384,213
Other Intangible Assets	2	106,045	122,932
Financial assets			
(i) Other financial assets	3	306,484	487,126
Deferred tax Assets (net)	4	1,977,889	(539,205)
Total non-current assets		22,329,550	20,455,066
Current Assets			
Inventories	5	4,760,084	2,060,084
Financial assets			
i) Trade receivables	6	182,554	5,978,486
ii) Cash and cash equivalents	7	63,790	117,404
iii) Bank balances other than above (ii)	8	10,468,150	9,301,650
iv) Loans	9	-	11,000
v) Other financial assets	10	683,640	1,846,837
Current Tax Assets	11	525,635	631,621
Other current assets	12	493,300	2,209,455
Total current assets		17,177,152	22,156,537
Total Assets		39,506,703	42,611,604
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	44,921,750	44,921,750
Other equity	14	(11,615,106)	(8,272,122)
Total equity		33,306,644	36,649,628
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other financial liabilities	15	135,000	135,000
Provisions	16	2,931,412	2,352,418
Total non-current liabilities		3,066,412	2,487,418
Current liabilities			
Financial liabilities			
(i) Borrowings	17	1,464,153	-
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	202,647	2,316,795
(iii) Other financial liabilities	19	335,931	170,340
Provisions	20	752,336	685,227
Other current liabilities	21	378,582	302,196
Total current liabilities		3,133,649	3,474,558
Total liabilities		6,200,061	5,961,976
Total equity and liabilities		39,506,703	42,611,604
Significant Accounting Policies	1		
The accompanying notes form an integral part of financial statements			
As Per our report of even date		For and on behalf of the Board	
For GRANDHY & Co			
Chartered Accountants			
FR No : 001007 S			
UDIN: 2020175AAAABH5637		FEROZ R. BHOTE Managing Director	
NARESH CHANDRA GELLI Partner Membership No : 201754		S. KHUDAVENTH Chief Financial Officer	VINAY VIR Director
		PRIYANKA JAIN Company Secretary	
Place: Hyderabad Date : 28-07-2020			

HYPERSOFT TECHNOLOGIES LIMITED			
Statement of Profit and Loss for the year ended March 31 2020			
All amounts in INR			
Particulars	Note No	Year ended March 31,2020	Year ended March 31,2019
INCOME			
Revenue from operations	22	7,792,255	7,130,005
Other income	23	1,792,183	1,583,279
Total income		9,584,438	8,713,284
EXPENSES			
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24	(2,700,000)	-
Employee benefit expense	25	6,441,307	5,651,883
Depreciation and amortisation expense	26	461,966	594,503
Other expenses	27	4,877,615	4,343,495
Finance costs	28	58,697	129,228
Total expenses		9,139,585	10,719,109
Profit before tax and exceptional items		444,853	(2,005,825)
Exceptional Items		5,992,485	-
Profit before tax		(5,547,632)	(2,005,825)
Tax expense	29		
Current tax		95,000	-
Deferred tax Exp / (Income)		(2,469,257)	(28,450)
Total tax expense		(2,374,257)	(28,450)
Profit for the year		(3,173,375)	(1,977,375)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit liability /asset, net		(217,447)	(1,725,582)
Revaluation of Property			
Income tax relating to these items		47,838	431,396
Other comprehensive income for the year, net of tax		(169,609)	(1,294,187)
Total comprehensive income for the year		(3,342,984)	(3,271,562)
Earnings per equity share for profits from operations attributable to the owners of the Company:			
Basic earnings per share in Rupees	33	(0.75)	(0.47)
Diluted earnings per share in Rupees		(0.75)	(0.47)
Significant Accounting Policies	1		
The accompanying notes form an integral part of financial statements			
As Per our report of even date		For and on behalf of the Board	
For GRANDHY & Co			
Chartered Accountants			
FR No : 001007 S			
UDIN:20201754AAAABH5637		FEROZ R. BHOTE Managing Director	
Naresh Chandra Gelli Partner Membership No : 201754		S. KHUDAVENTH Chief Financial Officer	
Place: Hyderabad Date : 28-07-2020		PRIYANKA JAIN Company Secretary	
		VINAY VIR Director	

HYPERSOFT TECHNOLOGIES LIMITED			
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020			Amt in INR
PARTICULARS	31ST MARCH, 2020		31ST MARCH, 2019
	Rs		Rs
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit / (Loss) Before Tax	(5,547,632)		(2,005,825)
Adjustments to reconcile net cash provided by operating activities :			
Depreciation	461,966		594,503
Interest Expenses	58,697		129,228
Interest Income	(829,262)		(679,448)
Exceptional Items	5,992,485		-
Current Tax Paid	-		(206,793)
Operating Profit / (Loss) before working capital change	136,254		(2,168,335)
Adjustments for			
Non-Current Provisions	361,547		133,778
Financial Liabilities - Current	165,591		4,697
Trade Payables	(2,114,148)		150,582
Current Provisions	67,109		68,991
Other Current Liabilities	76,386		(729,746)
Current Assets			
Inventories	(2,700,000)		-
Trade Receivables	2,167,999		673,195
Other Financial Assets	(561,659)		2,198,374
Other Current Assets	112,589		186,721
Cash from Operations	(2,288,332)		518,257
Net Cash generated from Operating Activities	(2,288,332)		518,257
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	-		-
Proceeds on Sale of Fixed Assets	-		-
Non Current - Other Financial Assets	-		-
Other Non Current Assets	-		110,251
Interest received	829,262		679,448
Cash Flow from Investing Activities	829,262		789,699
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings	1,464,153		(1,304,942)
Changes in Non Current Liabilities	-		-
Interest paid	(58,697)		(129,228)
Cash flow from Financing Activities	1,405,456		(1,434,170)
Net Increase /(Decrease) in Cash and Cash Equivalents	(53,614)		(126,215)
Cash and Cash Equivalents at the beginning of the year	117,404		243,620
Cash and Cash Equivalents at the end of the year	63,790		117,404
The accompanying notes form an integral part of financial statements			
As Per our report of even date		For and on behalf of the Board	
For GRANDHY & Co			
Chartered Accountants			
FR No : 001007 S			
UDIN:20201754AAAABH5637		FEROZ RUSSI BHOTE	
		Managing Director	
NARESH CHANDRA GELLI			
Partner		VINAY VIR	
Membership No : 201754		Director	
Place: Hyderabad		PRIYANKA JAIN	
Date : 28-07-2020		Company Secretary	

HYPERSOFT TECHNOLOGIES LIMITED
Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

Rs

Balance at the Beginning of the Reporting Period as at April 01, 2018	Changes in Equity Share capital during the year	Balance at the End of the Reporting Period as at March 31, 2019
44,921,750	-	44,921,750

Balance at the Beginning of the Reporting Period as at April 01, 2019	Changes in Equity Share capital during the year	Balance at the End of the Reporting Period as at March 31, 2020
44,921,750	-	44,921,750

B. OTHER EQUITY

Rs

Particulars	Reserves and Surplus				Other items of other comprehensive income	Total
	Retained Earnings	Capital Reserve	Share Premium	Revaluation Surplus		
Balance at the Beginning of the Reporting Period as at April 01, 2018	(20,927,137)	3,787,500	3,275,000	8,864,077	-	(5,000,560)
Changes in accounting policy/ prior period adjustments	-	-	-	-	-	-
Restated balance at the beginning of the Accounting Period as at April 01, 2018	(20,927,137)	3,787,500	3,275,000	8,864,077	-	(5,000,560)
Total Income for the year	(1,977,375)	-	-	-	-	(1,977,375)
Remeasurements of post-employment benefit obligation, net of tax through Other Comprehensive Income					(1,294,187)	(1,294,187)
Dividend paid	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-
Balance at the end of the Reporting Period as at March 31, 2019	(22,904,512)	3,787,500	3,275,000	8,864,077	(1,294,187)	(8,272,122)

Particulars	Reserves and Surplus				Other items of other comprehensive income	Total
	Retained Earnings	Capital Reserve	Share Premium	Remeasurements of post-employment benefit obligation, net of tax		
Balance at the Beginning of the Accounting Period as at April 01, 2019	(22,904,512)	3,787,500	3,275,000	8,864,077	(1,294,187)	(8,272,122)
Changes in accounting policy/ prior period adjustments	-	-	-	-	-	-
Restated balance at the beginning of the Accounting Period as at April 01, 2019	(22,904,512)	3,787,500	3,275,000	8,864,077	(1,294,187)	(8,272,122)
Total income for the year	(3,173,375)	-	-	-	-	(3,173,375)
Remeasurements of post-employment benefit obligation, net of tax through Other Comprehensive Income	-	-	-		(169,609)	(169,609)
Dividend paid	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Balance at the end of the Accounting Period as at March 31, 2020	(26,077,887)	3,787,500	3,275,000	8,864,077	(1,463,796)	(11,615,106)

The accompanying notes form an integral part of financial statements

As Per our report of even date
For **GRANDHY & Co**
Chartered Accountants
FR No : 001007 S

For and on behalf of the Board

FEROZ R. BHOTE
Managing Director

NARESH CHANDRA GELLI
Partner
Membership No : 201754

S. KHUDEVANTH
Chief Financial Officer

VINAY VIR
Director

PRIYANKA JAIN
Company Secretary

Place: Hyderabad
Date : 28 -07-2020

Note 1: SIGNIFICANT ACCOUNTING POLICIES

A: CORPORATE INFORMATION

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

B. BASIS OF ACCOUNTING:

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

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

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in accounting policy hitherto in use.

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

D. USE OF ESTIMATES:

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

This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical Estimates and judgments

The areas involving critical estimates or judgments are:

- Estimation of current tax expense and payable
- Estimation of defined benefit obligation
- Estimation of useful life of Property, Plant and Equipment
- Impairment of trade receivables

D.BASIS OF MEASUREMENT

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

The Financial Statements are presented in Indian Rupees (INR), except when otherwise indicated, which is the functional currency of the Company.

E. REVENUE RECOGNITION:

The Company derives revenues primarily from business IT services comprising of software development and related products.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable effective interest rate.

F. PROPERTY, PLANT & EQUIPMENT:

Property, Plant & Equipment are disclosed at historical cost of acquisition. Buildings have been valued at Fair Market Value by Independent valuation during the FY 2017-18.

G. DEPRECIATION:

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

H. PRIOR PERIOD / PRE PAID EXPENSES:

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

I. FOREIGN CURRENCY TRANSACTIONS:

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

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

J. INCOME TAX

Tax expense comprises of current and deferred taxes.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

K. PROVISIONS & CONTINGENCIES:

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

L. FINANCIAL INSTRUMENTS:

Non-Derivative Financial Instruments:

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

Dividend and interest income are recognized when earned.

Non-derivative financial instruments consists of

- a) Financial Assets which includes Cash and Cash equivalents, trade receivables, unbilled revenue and eligible current and non-current assets.
- b) Financial Liabilities includes short term and long term borrowings bank overdrafts, trade payables and eligible current and non-current liabilities.

Cash and cash equivalents

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

Receivables

Trade and other receivables

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

Trade and other payables

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

M. EVENTS AFTER THE REPORTING PERIOD

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

Note - 2 : Property, plant and equipment:

The changes in the carrying value of property, plant & equipment for the year ended March 31, 2020

Asset Description	Gross carrying amount				Accumulated Depreciation and Amortisation				Net carrying amount	
	As at April 1, 2019	Addi-tions/ adjust-ments	Dele-tions/ adjust-ments	As at March 31, 2020	As at April 1, 2019	Depre-ciation for the Year	Dele-tions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Building own	22,579,000	-	-	22,579,000	2,525,292	423,224	-	2,948,516	19,630,484	20,053,708
Plant and Machinery	2,105,895	-	-	2,105,895	2,105,895	-	-	2,105,895	-	-
Furniture and Fixtures	1,048,904	-	-	1,048,904	996,459	-	-	996,459	52,445	52,445
Office Equipments	1,214,140	-	-	1,214,140	1,153,430	-	-	1,153,430	60,710	60,710
Vehicles	1,149,340	-	-	1,149,340	1,010,945	21,855	-	1,032,800	116,540	138,395
Computers	2,305,801	-	-	2,305,801	2,226,847	-	-	2,226,847	78,954	78,954
	30,403,080	-	-	30,403,080	10,018,868	445,079	-	10,463,947	19,939,133	20,384,213

Other Intangible Assets:

Asset Description	Gross carrying amount				Accumulated Depreciation and Amortisation				Net carrying amount	
	As at April 1, 2019	Addi-tions/ adjust-ments	Dele-tions/ adjust-ments	As at March 31, 2020	As at April 1, 2019	Depre-ciation for the Year	Dele-tions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer Software: Acquired	177,849	-	-	177,849	54,917	16,887	-	71,804	106,045	122,932
TOTAL	30,580,929	0	0	30,580,929	10,073,785	461,966	-	10,535,751	20,045,178	20,507,145

Note - 2 : Property, plant and equipment - 2018-19

Asset Description	Gross carrying amount				Accumulated Depreciation and Amortisation				Net carrying amount	
	As at	Additions /	Deletions	As at	As at	Depreciation	Dele -	As at	As at	As at
	April 1,2018	Increase due to valuation	/ Adjustments	March 31, 2019	April 1,2018	for the year	tions	March 31,2019	March 31,2019	March 31,2018
Building - Own	22,579,000	-	-	22,579,000	2,102,068	423,224	-	2,525,292	20,053,708	20,476,932
Plant and Machinery	2,105,895	-	-	2,105,895	2,105,895	-	-	2,105,895	-	-
Furniture and Fixtures	1,048,904	-	-	1,048,904	996,459	-	-	996,459	52,445	52,445
Office Equipment	1,214,140	-	-	1,214,140	1,057,515	95,915	-	1,153,430	60,710	156,625
Vehicles	1,149,340	-	-	1,149,340	989,090	21,855	-	1,010,945	138,395	160,250
Computers	2,305,801	-	-	2,305,801	2,226,847	-	-	2,226,847	78,954	78,954
Total	30,403,080	-	-	30,403,080	9,477,874	540,994	-	10,018,868	20,384,213	20,925,206

Other Intangible Assets

Asset Description	Gross carrying amount				Accumulated Depreciation and Amortisation				Net carrying amount	
	As at	Additions	Deletions	As at	As at	Depreciation	Deletions	As at	As at	As at
	April 1,2018		/ Adjustments	March 31, 2019	April 1,2018	for the year		March 31,2019	March 31,2019	March 31,2018
Computer Software - Acquired	177,849	-	-	177,849	1,408	53,509	-	54,917	122,932	176,441
Total	177,849	-	-	177,849	1,408	53,509	-	54,917	122,932	176,441

Note - 3 : Other Financial Assets - Non Current

All amounts in INR unless otherwise stated

Particulars	As at 31-Mar-20	As at 31-Mar-19
Non-current		
Security deposits	306,484	487,126
Total other financial assets - non-current	306,484	487,126

Note - 4 : Deferred Tax Assets (Net)

The balance comprises temporary differences attributable to:

Particulars	As at 31-Mar-20	As at 31-Mar-19
(a) On time Difference of Depreciation		
Opening Balance For the Year	(1,645,804) 198,112	(1,615,388) (30,416)
Closing Balance Asset / (Liability)	(1,447,692)	(1,645,804)
(b) On time Difference of Gratuity		
Opening Balance	675,764	185,774
For the Year charged to P& L A/c	12,504	58,594
For the Year charged to Other Comprehensive Income For the Year	47,838	431,396
Closing Balance Asset / (Liability)	736,106	675,764
(c) On time Difference of Doubtfull debts		
Opening Balance For the Year	28,381 (28,381)	28,108 273
Closing Balance Asset / (Liability)	-	28,381
(d) Un-used Tax credits		
Opening Balance For the Year	402,455 2,287,019	402,455 -
Closing Balance Asset / (Liability)	2,689,474	402,455
(d) Net Deffered to Asset / (Liability)	1,977,889	(539,205)
(e) Adjustment for the year ((Exp) / Income)	2,469,257	28,450
(e) Adjustment for the year OCI	47,838	431,396

Note - 5 : Inventories

Particulars	As at 31-Mar-20	As at 31-Mar-19
Finished goods	4,760,084	2,060,084
Total Inventories	4,760,084	2,060,084

Note - 6 : Trade Receivables

Particulars	As at 31-Mar-20	As at 31-Mar-19
Trade receivables	3,475,039	5,978,486
Less: Write off of bad debts	3,292,485	-
Total trade receivables	182,554	5,978,486
Break-up of security details		
a) UnSecured, considered good		
For a period Exceeding 6 Months	3,292,485	5,873,315
For a period not exceeding 6 Months	182,554	214,328
b) Trade receivables which have significant increase in credit risk	-	-
c) Trade receivables - credit impaired	-	-
d) Trade receivables from related parties	-	-
Less: Allowance for expected credit losses	-	109,157
Total	3,475,039	5,978,486
Less: Write off of bad debts	3,292,485	-
Total trade receivables	182,554	5,978,486

Note - 7 : Cash and Cash Equivalents

Particulars	As at 31-Mar-20	As at 31-Mar-19
Balances with banks		
- in current accounts	55,464	109,053
Cash on hand	8,326	8,351
Total cash and cash equivalents	63,790	117,404

Note - 8 : Bank Balances other than above

Particulars	As at 31-Mar-20	As at 31-Mar-19
Bank deposits with maturity more than 3 months but less than 12 months *	10,468,150	9,301,650
(* Rs.14,64,153/- held as lien for Overdraft in Current Year Previous Year - NIL)		
Total cash and cash equivalents	10,468,150	9,301,650

Note - 9 : Loans - Current

Particulars	As at 31-Mar-20	As at 31-Mar-19
Unsecured considered good Loans to employees	-	11,000
Total loans	-	11,000

Note - 10 : Other Financial Assets - Current

Particulars	As at 31-Mar-20	As at 31-Mar-19
Unsecured considered good		
Security deposits	-	7,50,000
Interest Accrued but not due	6,83,640	10,96,637
Total loans	-	11,000

Note - 11 : Current Tax Assets - (Net)

Particulars	As at 31-Mar-20	As at 31-Mar-19
Balances with government authorities - Tax deducted at Source	525,635	631,621
Total other non-current assets	525,635	631,621

Note - 12 : Other Current Assets

Particulars	As at 31-Mar-20	As at 31-Mar-19
<i>Advances other than capital advances Unsecured (Considered good)</i>		
Advances to Suppliers	889	1,614,552
Balances with government authorities - Indirect Tax Credits	-	-
Prepaid Expenses	492,411	584,903
Other Advances	-	10,000
Total other current assets	493,300	2,209,455

**Note - 13 : Equity Share Capital
Authorised equity share capital**

Particulars	As at 31-Mar-20	As at 31-Mar-19
Authorised equity share capital		
Ordinary Shares of par value of Rs.10/- each number	6,000,000	6,000,000
Amount Rs	60,000,000	60,000,000
Issued, Subscribed and fully paid		
42,51,700 Equity Shares of Rs10 each	42,517,000	42,517,000
fully paid Add: Forfeited Shares	2,404,750	2,404,750
As at March 31,2019	44,921,750	44,921,750

(i) Reconciliation of number of Shares

Particulars	As at 31-Mar-20	As at 31-Mar-19
Equity Shares outstanding at the beginning of the year Add:	4,251,700	4,251,700
1. No. of Shares allotted as fully paid up bonus during the year as fully paid up pursuant to a contract without payment	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
3. No. of Shares allotted to employees pursuant to ESOPs/ESPs	-	-
4. No. of Shares allotted for cash pursuant to public issue. Less:		
1. No. Of shares bought back during the year		
Equity Shares outstanding at the end of the year	4,251,700	4,251,700

Terms and rights attached to equity shares

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

Particulars	As at 31-Mar-20		As at 31-Mar-19
		Number of shares (% holding)	Number of shares (% holding)
a)D.R Bhote		511675 (12.03%)	498275 (11.72%)
(b) F.R. Bhote		605650 (14.24%)	605650 (14.24%)
(c)Kashmira D Bhote		230900 (5.43%)	230900 (5.43%)
(d) Savio Pinto		250000 (5.88%)	250000 (5.88%)

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

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

Note - 14 : Reserves and Surplus

Particulars	As at 31-Mar-20	As at 31-Mar-19
Capital Reserve	3,787,500	3,787,500
Revaluation	8,864,077	8,864,077
Surplus	3,275,000	3,275,000
Securities	(27,541,683)	(24,198,699)
Premium		
Retained earnings		
Total reserves and surplus	(11,615,106)	(8,272,122)

(a) Capital reserve		
Particulars	As at 31-Mar-20	As at 31-Mar-19
Opening balance	3,787,500	3,787,500
Additions during the year	- -	- -
Deductions/Adjustments during the year		
Closing balance	3,787,500	3,787,500

Particulars	As at 31-Mar-20	As at 31-Mar-19
Opening balance	8,864,077	8,864,077
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Closing balance	8,864,077	8,864,077
(c) Securities Premium		
Particulars	As at 31-Mar-20	As at 31-Mar-19
Opening balance	3,275,000	3,275,000
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Closing balance	3,275,000	3,275,000
(d) Retained earnings		
Particulars	As at 31-Mar-20	As at 31-Mar-19
Opening balance	(24,198,699)	(20,927,137)
Net profit for the period	(3,173,375)	(1,977,375)
<i>Restatement adjustments- net of tax</i>	(169,609)	(1,294,187)
Closing balance	(27,541,683)	(24,198,699)

Note - 15 : Other Financial Liabilities - Non Current

Particulars	As at 31-Mar-20	As at 31-Mar-19
Deposits- others	135,000	135,000
Total of Other current financial liabilities	135,000	135,000

Note - 16 : Provisions - Non Current

Particulars	As at 31-Mar-20	As at 31-Mar-19
Employee Benefit Obligations		
Gratuity Payable	2,931,412	2,352,417
Total of Provisions - Non Current	2,931,412	2,352,417

Note - 17 : Current Borrowings

Particulars	As at 31-Mar-20	As at 31-Mar-19
<u>Secured</u>		
From Banks		
Bank	1,464,153	-
Overdrafts		
Total current borrowings	1,464,153	-

(i) Bank Overdraft is secured under hypothecation by way of charge on Fixed Deposits of the Company

(ii) Maturity date - Payable on demand

(iii) Terms of repayment - Payable on Demand

(iv) Interest Rate - 8%

Note - 18 : Trade Payables

Particulars	As at 31-Mar-20	As at 31-Mar-19
Trade payables	202,647	2,316,795
Total trade payables	202,647	2,316,795

Note - 19 : Other Financial Liabilities - Current

Particulars	As at 31-Mar-20	As at 31-Mar-19
Expenses payable	335,931	170,340
Others	-	-
Total other financial liabilities	335,931	170,340

Note - 20 : Provisions - Current

Particulars	As at 31-Mar-20	As at 31-Mar-19
Employee Benefit Obligations		
Gratuity Payable	285,836	246,674
Provident Fund	466,500	438,553
Total other current financial liabilities	752,336	685,227

Note - 21 : Other Current Liabilities

Particulars	As at 31-Mar- 20	As at 31-Mar-19
Advances from customers Statutory dues	297,000 81,582	302,196
Total other current liabilities	378,582	302,196

Note - 22 : Revenue from Operations

All amounts in INR unless
otherwise stated

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Sale of products	747,000	174,138
Sale of Services	6,967,255	6,906,881
Other operating revenue – Exports	78,000	48,986
Total revenue	7,792,255	7,130,005

22.1: Disaggregated Revenue :

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Sale of products	747,000	174,138
Sale of Services	7,045,255	6,955,867
Total revenue	7,792,255	7,130,005

22.2: Trade Receivables and Contract Balances

- a) The Company classifies the right to consideration in exchange for deliverables as receivable.
b) A receivable is a right to consideration that is unconditional upon passage of time. Trade receivables are presented net of impairment in the Balance Sheet.

22.3: Disclosures relating to pending performance obligations are not given since there are no pending obligations.

Note - 23 : Other Income

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Interest income on deposits with banks	829,262	679,448
Other non operating income		
1. Rental Income	934,785	903,831
2. Other Income	28,136	-
Total other income	1,792,183	1,583,279

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

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Opening balance	2,060,084	2,060,084
Closing Balance	4,760,084	2,060,084
Total Changes in inventories of finished goods, Stock-in-Trade and work-in-progress (A-B)	(2,700,000)	-

Note - 25 : Employee benefit Expense

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Salaries, wages and bonus	5,321,330	4,710,643
Contribution to provident and other funds	489,651	497,651
Gratuity	400,710	191,028
Staff welfare expenses	229,616	137,568
Leave compensation	-	114,993
Total employee benefit expense	6,441,307	5,651,883

Note - 26 : Depreciation and Amortisation Expense

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Depreciation of property, plant and equipment	461,966	594,503
Total depreciation and amortisation expense	461,966	594,503

Note - 27 : Other Expenses

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Power and Fuel	237,754	237,587
Repairs & Maintenance- Vehicles & Others	229,224	609,021
Repairs & Maintenance - Building	4,812	17,644
Repairs & Maintenance - Plant & Machinery	38,109	43,540
Communication Expenses	108,242	111,429
Rates & Taxes	119,234	96,007
Travel & conveyance	712,610	120,689
Professional charges	419,509	271,022
Payment to Auditors	100,000	115,900
Insurance	18,087	16,526
Selling and marketing expenses	168,477	114,230
Directors' Remuneration	1,800,000	1,800,000
Listing Fees	312,000	268,000
Subscription & Membership	105,084	101,180
Office Expenses	111,542	54,179
Exhibition Expenses	135,000	135,000
Miscellaneous Expenses	257,931	231,541
Total other expenses	4,877,615	4,343,495

Details of payments to auditors

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Payment to auditors		
As auditors:		
Statutory audit fee	100,000	100,000
In other capacities	-	10,000
Certification fees	-	5,900
Total	100,000	115,900

Note - 28 : Finance Costs

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Interest and finance charges on financial liabilities calculated	53,104	114,532
Others	5,593	14,696
Total finance costs	58,697	129,228

Note - 29 : Income Tax Expense**(a) Income tax expense**

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Current tax		
Current tax on profits for the year	95,000	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	95,000	-
Deferred tax		
Decrease/(increase) in deferred tax assets	(2,318,982)	(490,262)
(Decrease)/increase in deferred tax liabilities	(198,112)	30,416
	(2,517,095)	(459,846)
Deferred tax expense/(benefit) trn to P & L Statement	(2,469,257)	(28,450)
Deferred tax expense/(benefit) OCI	47,838	(431,396)
Income tax expense	(2,326,419)	(459,846)

Note No.30 :Income Tax

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

Particulars	As at March 31, 2020	As at March 31, 2019
Profit (Loss) before tax	(55,47,632)	(20,05,825)
Enacted Tax rates for the financial year (MAT)	15.6%	19.055%
Expected tax expense (A)	-	-

Tax affect on allowable items (B)	-	-
Tax affect on disallowable items (C)	95000	-
Tax on incomes chargeable under other heads (D)	-	-
Provision for income tax for the current year (A+B+C+D)	95000	-
Deferred tax for the year - expense / (Income)	(24,69,257)	(28,450)
Net tax expense / (Income) for the year	(23,74,257)	(28,450)

Note No.31 : Employee Benefits

- a) **Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to registered Provident fund administered by Central Government. The contribution of Rs 4,81,164/- (Previous year Rs 4,22,640/-) including administrative charges is recognized as expense and is charged in the Statement of Profit and Loss. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligations.
- b) **Gratuity:** Gratuity is non funded Defined Benefit Plan payable to the qualifying employees on separation.

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

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as at the year ended March 31, 2020 are as follows.

		(Amount in Rs.)	
I. Change in Benefit obligation :		As at March 31, 2020	As at March 31, 2019
Present value of obligation as at the beginning		25,99,091	7,21,451
a)	Interest Cost	1,97,531	56,157
b)	Current Service Cost	2,03,179	1,34,871
c)	Benefits paid	-	(38,970)
d)	Actuarial (gain) / loss	2,17,447	17,25,582
Present value of obligation at the end of the period		32,17,248	25,99,091

(Amount in Rs.)

II. Expenses recognized in the Statement of Profit & Loss :		As at March 31, 2020	As at March 31, 2019
a)	Current service Cost	2,03,179	1,34,871
b)	Interest Cost	1,97,531	56,157
c)	Expected return on Plan Assets	-	-
d)	Net Actuarial (gain)/loss recognized in the period	2,17,447	17,25,582
Expenses recognized in the statement of Profit & Loss		6,18,157	19,16,610

(Amount in Rs.)

III. Amounts recognized in the Balance Sheet		As at March 31, 2020	As at March 31, 2019
a)	Present value of Obligation as at the end of the period	32,17,248	25,99,091
b)	Fair value of Plan Assets at the end of the period	0	0
c)	Funded Status	0	0
d)	Liability recognized in Balance Sheet	32,17,248	25,99,091
	Current Liability	2,85,836	2,46,674
	Non Current Liability	29,31,412	23,52,417

IV. Principal Assumptions		As at March 31, 2020	As at March 31, 2019
a)	Discounting Rate	6.7%	7.6%
b)	Salary Escalation Rate	10%	10%
c)	Attrition Rate	8.50%	8.50%

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

The actuarial assumption for salary rise is 10 % (Previous Year 10%) and discount rate is 7.6% (Previous Year 8%).

V. Sensitivity of Present value of obligation		Defined Benefit Obligation	% Change
	Scenario		
1	Under Base Secenario	32,17,248	-
2	Salary Escalation – Up by 1%	33,60,481	4.45%
3	Salary Escalation – Down by 1%	30,74,390	-4.44%
4	Withdrawal Rates – Up by 1%	32,19,751	0.08%
5	Withdrawal Rates – Down by 1%	32,11,361	-0.18%
6	Discount Rates – Up by 1%	29,84,904	-7.22%
7	Discount Rates – Down by 1%	34,87,262	8.39%

Note 32: Related Party Disclosures

- (i) Parties with whom company had transactions - NIL
- (ii) Key management personnel
- a) Mr. F.R. Bhote, Managing Director
- b) Mr. Vinay Vir, Director
- (iii) Remuneration to Key Management Personnel – Rs. 19.51 Lakhs (Previous year Rs.18.25 Lakhs) as detailed below:

(Rs. in Lakhs)

Name of the Key Management Personnel	Position Held	Salary	Contribution to PF	Total
Mr. Feroz R Bhote	Managing Director	18.00 (16.50)	1.51 (1.75)	19.51 (18.25)

Note 33: Earnings per Share

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Numerator : Net Profit (Loss) after tax as per Statement of Profit and Loss	(Rs.31,73,375)	(Rs.19,77,375)
Denominator : Number of equity shares	42,51,700 Nos	42,51,700 Nos
Number of equity shares allotted during the year	NIL	NIL
Weighted average number of equity shares for calculation of earnings per share (Basic & Diluted)	42,51,700 Nos	42,51,700 Nos
Nominal value of equity share	Rs. 10/-	Rs. 10/-
Earnings per share (Basic & Diluted)	(Rs.0.75)	(Rs.0.47)

Note 34: Segment Reporting

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

Revenue from geographic segments	As at March 31, 2020	As at March 31, 2019
India	77,14,255	70,81,019
Global	78,000	48,986

Note 35: Earnings in Foreign Currency

Earnings in Foreign Currency	As at March 31, 2020	As at March 31, 2019
Software services	78,000	48,986

Note 36: Foreign Currency outgo

Foreign Currency outgo	As at March 31, 2020	As at March 31, 2019
Exhibition Expenses	nil	Nil

Note 37: Financial Instruments - Fair Values and Risk Management**Fair Value Measurements:**

Financial Instruments by Categories, its carrying value and Fair value

As at 31 March, 2020					
Particulars	Amortized cost	FVTPL	FVTOCI	Carrying value	Total fair value as of March 31, 2020
Assets:					
Cash & Cash Equivalents	63,790	-	-	63,790	63,790
Bank balances	1,04,68,150			1,04,68,150	1,04,68,150
Trade Receivable	1,82,554	-	-	1,82,554	1,82,554
Loans	NIL	-	-	NIL	NIL
Other Financial Assets	9,90,124	-	-	9,90,124	9,90,124
Liabilities:					
Trade Payable	2,02,647	-	-	2,02,647	2,02,647
Borrowings	14,64,153	-	-	14,64,153	14,64,153
Other Financial Liabilities	3,35,931	-	-	3,35,931	3,35,931

(Rs.)

As at 31 March, 2019					
Particulars	Amortized cost	FVTPL	FVTOCI	Carrying value	Total fair value as of March 31, 2019

As at 31 March, 2019					
Particulars	Amortized cost	FVTPL	FVTOCI	Carrying value	Total fair value as of March 31, 2019
Assets:					
Cash & Cash Equivalents	1,17,404	-	-	1,17,404	1,17,404
Bank balances	93,01,650			93,01,650	93,01,650
Trade Receivable	59,78,486	-	-	59,78,486	59,78,486
Loans	11,000	-	-	11,000	11,000
Other Financial Assets	23,33,963	-	-	23,33,963	23,33,963
Liabilities:					
Trade Payable	23,16,795	-	-	23,16,795	23,16,795
Borrowings	Nil	-	-	Nil	Nil
Other Financial Liabilities	1,70,340	-	-	1,70,340	1,70,340

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

Fair Value Hierarchy

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

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

The following table presents fair value hierarchy as at March 31, 2020:

(Rs)				
Particulars	As at March 31, 2020	Fair value measurement at end of the reporting period/year		
		Level 1	Level 2	Level 3
Financial Assets				
Loans to Employees	Nil	-	-	Nil
Other Financial Assets	9,90,124	-	-	9,90,124
Financial Liabilities				
Borrowings	14,64,153	-	-	14,64,153
Trade Payables	2,02,647	-	-	2,02,647
Others	3,35,931	-	-	3,35,931

The following table presents fair value hierarchy as at March 31, 2019:

Rs				
Particulars	As at March 31, 2019	Fair value measurement at end of the reporting period/year		
		Level 1	Level 2	Level 3
Financial Assets				
Loans to Employees	11,000	-	-	11,000
Other Financial Assets	23,33,963			23,33,963
Financial Liabilities				
Borrowings	Nil	-	-	Nil
Trade Payables	23,16,795	-	-	23,16,795
Others	1,70,340	-	-	1,70,340

Valuation Process:

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

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

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

Financial Risk Management:

The Company's activities expose to a variety of financial risks viz., market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effect so nits financial

performance. The primary market risk to the Company is credit risk and liquidity risk. The Company's exposure to credit risk is influenced mainly by, dealings with Government and Government agencies being the top customers.

a. Management of Market Risk:

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

b. Foreign Currency Risks:

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

The Company exposure to foreign currency risk as at the end of the reporting period expressed in INR as on March 31, 2020 is as follows:

(Amount Rs)

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

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

Strengthened	NIL
Weakened	NIL

The Company exposure to foreign currency risk as at the end of the reporting period expressed in INR as on March 31, 2019 is as follows:

(Amount Rs.)

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

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

Strengthened	NIL
Weakened	NIL

c. Credit Risk:

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

During the year impact of COVID pandemic on receivable has been evaluated and the receivables which the management perceives as not recoverable have been written off. The company considers that, all the financial assets that are not impaired and past due as on each reporting dates under review are considered credit worthy.

Credit risk exposure

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

For the year ended March 31, 2020: (Rs.)

Particulars	Less than 1 year	Between 2 to 4 years	More than 4 Years	Total Rs.
Gross Carrying amount	1,82,554	32,92,485	-	34,75,039
Expected credit loss (Amount written off)	--	(32,92,485)	-	(32,92,485)
Carrying amount (net of impairment)	1,82,554	NIL	-	1,82,554

For the year ended March 31, 2019:

(Rs.)

Particulars	Less than 1 year	Between 2 to 4 years	More than 4 Years	Total Rs.
Gross Carrying amount	2,14,328	58,73,315	-	60,87,643
Expected credit loss (Loss allowance provision)	--	(1,09,157)	-	(1,09,157)
Carrying amount (net of impairment)	2,14,328	57,64,158	-	59,78,486

d. Liquidity Risk:

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

Short term liquidity requirements consist mainly of sundry creditors, expenses payable and employee dues during the normal course of business. The company maintains sufficient balance in cash and cash equivalents and working capital facilities to meet the short term liquidity requirements.

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

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

(Rs.)				
Particulars	Carrying amount	<12 months	>12 months	Total
As on March 31, 2020				
Trade Payables	2,02,647	2,02,647	-	2,02,647
Other Financial Liabilities	3,35,931	2,00,931	1,35,000	3,35,931
As on March 31, 2019				
Trade Payables	23,16,795	1,77,329	21,39,466	23,16,795
Other Financial Liabilities	3,05,340	1,70,340	1,35,000	3,05,340

NOTE 38: OTHERS

- i. On account of complexities involved in realization of debts in few instances, the Company has written receivables of Rs.32.92 Lakh during the current year.
- ii. Previous year's figures have been regrouped/reclassified /re-casted wherever necessary to confirm to the current year's presentation.
- iii. In the opinion of the Board of Directors, the Company does not have any impaired assets.
- iv. Trade payables to Micro, Small, Medium Enterprises has been identified based on information available with the company. This has been relied upon by the auditor.
- v. Balances of Sundry Debtors, Creditors and loans and advances are as per books, subject to confirmation.
- vi. Amounts in the financial statements are presented in Rupees. All figures have been rounded to the nearest Rupee.