



# **COSYN LIMITED**

(Formerly Known as CSS Technergy Limited)

**ANNUAL REPORT 2016 - 2017**

**CONTENTS**

Corporate Information	02
Notice	03
Directors' Report	14
Management Discussion & Analysis Report	29
Report on Corporate Governance	53
Standalone Financial Statements	71
Consolidated Financial Statements	94
Attendance Slip	113
Proxy Form	115
Ballot Form	117

**Corporate Information**

Board of Directors :	Mr Ravi Vishnu, Managing Director	(DIN: 01144902)
	Mr Bhopal Reddy, Whole-time Director	(DIN: 01119839)
	Mr. D. Vikram Reddy, Director (Submitted his resignation w.e.f. 14.08.2017)	(DIN: 01356778)
	Mr R. Radhakrishna Murthy, Director (Submitted his resignation w.e.f. 14.08.2017)	(DIN: 02058837)
	Mr T. Krishna Rao, Director (Submitted his resignation w.e.f. 14.08.2017)	(DIN: 01806780)
	Wg.Cdr. V.L.Nanda Kumar, Director (Submitted his resignation w.e.f. 14.08.2017)	(DIN: 01822434)
	Mr. V. Siva Rama Krishna Murthy, Independent Director	(DIN: 03642007)
	Smt. R Kasturi, Director	(DIN: 01936068)
	Sri P Venkata Rao, Independent Director	(DIN: 07300169)
	Sri Rama Rao Karumanchi, Independent Director	(DIN: 07532854)
Company Secretary :	Mr. Aravind Aitipamula	
Registered Office :	6-1-85/10, Opp Telephone Bhavan Saifabad, Hyderabad – 500 004 Tel: +91-40-23230305,23230306 Fax: +91-40-23230313	
Auditors :	M/s. Rambabu & Co., 6-3-1090/1/A, Pancom Chambers, Raj Bhavan Road, HYDERABAD – 500 082, India	
Bankers :	State Bank of India, Balanagar Branch, HYDERABAD – 500 037, India	
Registrar & Share Transfer Agent	: M/s. XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, India. Tel: +91-40-23545913, 23545914 Fax: +91-40-23553214.	

**NOTICE**

Notice is hereby given that the **23<sup>rd</sup> Annual General Meeting** of the members of the Company will be held on **Friday the 29<sup>th</sup> day of September 2017** at 10.00 am at Jubilee Hills International Center, Jubilee Hills, Hyderabad 500 033 to transact the following items of Business:

**ORDINARY BUSINESS:**

1. The Audited Financial Statements of the Company for the financial year ended 31 March, 2017, together with the Reports of Board of Directors and Auditors thereon; and
2. The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017, together with the Report of Auditors thereon.
3. To recommend declaration of Dividend of Re.1/- i.e., 10% per equity share on face value of Rs. 10/- each for the year ended 31<sup>st</sup> March, 2017.
4. To appoint Director in place of Mr. Aruva Bhopal Reddy (DIN: 01119839) who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary resolution.

"**RESOLVED** that pursuant to the provisions of section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the consent of the Company be and is hereby accorded for appointment of M/s. Suryanarayana & Suresh., Chartered Accountants (ICAI Reg. No. 006631S) as the statutory Auditors of the Company, to hold office for a term of three consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 26<sup>th</sup> AGM of the Company to be held in the year 2020, subject to ratification at every AGM, at such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the auditors."

**SPECIAL BUSINESS:**

6. Increase in the remuneration structure of Mr. Ravi Vishnu, Managing Director of the Company, to consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of sections 196, 197 and 198 read with Schedule V and any other applicable provisions of the Companies Act, 2013 (the Act), and the Rules made there under, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the Articles of Association of the Company and subject to such other approvals as may be necessary, the approval of the Members of the Company, be and is hereby accorded to increase in the remuneration and perquisites of Mr. Ravi Vishnu (DIN: 01144902) Managing Director of the Company w.e.f 01.06.2017 as approved by the Board of Directors, with liberty to the Board of Directors (hereinafter referred to as "the Board", which term shall include any Committee constituted or to be constituted by the Board) from

time to time to alter the said terms and conditions, in such manner as may be agreed to between the Board and Mr. Ravi Vishnu and as may be permissible at law:

**I. Salary**

Salary shall be Rs. 4,80,000 (Rupees Four Lakh Eighty Thousand Only) per month and the same (along with the allowances and perquisites mentioned below) may be revised on time scale basis by the Board of Directors based on the recommendation of the Remuneration Committee of the Company, considering industry trends.

**II. Allowances and Perquisites**

In addition to the above salary, he may be entitled to the following allowances and perquisites. The allowances and perquisites shall be valued as per the actual expenditure incurred by the Company.

Reimbursement of Medical Expenses actually incurred for self and his family. Leave Travel Concession for self and his family once in a year in accordance with the rules of the Company.

Reimbursement of Club expenditure for a maximum of two Clubs.

The following perquisites shall not be included in the computation of the remuneration:

Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity payable at rate not exceeding half a month's salary for each completed year of service.

Leave encashment at the end of tenure.

In addition to the above he shall be provided free of cost, with the following, for official purpose.

Use of Company's car.

Communication facility at his residence.

**III. Overall Remuneration**

That the total remuneration (i.e., salary, perquisites, commission and allowances) in any one financial year shall not exceed the limits prescribed from time to time under sections 196, 197 and other applicable provisions of the Act read with Schedule V to the said Act, as may be for the time being, be in force and any amendments thereto. In case of any doubt / discrepancy / clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Board of Directors on the recommendation of Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr. Ravi Vishnu and accepted by the remuneration committee.

**IV. Minimum Remuneration**

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed by Schedule V to the Act, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

7. Increase in the remuneration structure of Mr. A. Bhopal Reddy, Whole -Time Director of the Company, to consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197 and 198 read with Schedule V and any other applicable provisions of the Companies Act, 2013 (the Act), and the Rules made there under, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the Articles of Association of the Company and subject to such other approvals as may be necessary, the approval of the Members of the Company, be and is hereby accorded to increase in the remuneration and perquisites of Mr. A. Bhopal Reddy (DIN:01119839) Whole-Time Director of the Company, w.e.f 01.06.2017 as approved by the Board of Directors, with liberty to the Board of Directors (hereinafter referred to as "the Board", which term shall include any Committee constituted or to be constituted by the Board) from time to time to alter the said terms and conditions, in such manner as may be agreed to between the Board and Mr. A. Bhopal Reddy and as may be permissible at law:

**I. Salary**

Salary shall be Rs. 3,60,000 (Rupees Three Lakh Sixty Thousand Only) per month and the same (along with the allowances and perquisites mentioned below) may be revised on time scale basis by the Board of Directors based on the recommendation of the Remuneration Committee of the Company, considering industry trends.

**II. Allowances and Perquisites**

In addition to the above salary, he may be entitled to the following allowances and perquisites. The allowances and perquisites shall be valued as per the actual expenditure incurred by the Company.

Reimbursement of Medical expenses actually incurred for self and his family. Leave Travel Concession for self and his family once in a year in accordance with the rules of the Company.

Reimbursement of Club expenditure for a maximum of two Clubs.

The following perquisites shall not be included in the computation of the remuneration:

Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity payable at rate not exceeding half a month's salary for each completed year of service.

Leave encashment at the end of tenure.

In addition to the above he shall be provided free of cost, with the following, for official purpose.

Use of Company's car.

Communication facility at his residence.

### **III. Overall Remuneration**

That the total remuneration (i.e., salary, perquisites, commission and allowances) in any one financial year shall not exceed the limits prescribed from time to time under sections 196, 197 and other applicable provisions of the Act read with Schedule V to the said Act, as may be for the time being, be in force and any amendments thereto. In case of any doubt / discrepancy / clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Board of Directors on the recommendation of remuneration committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr.A. Bhopal Reddy and accepted by the remuneration committee.

### **IV. Minimum Remuneration**

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed by Schedule V to the Act, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

### **8. Authority to borrow in excess of the paid up capital and reserves**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier resolution passed by the Members of the Company in the previous Annual General Meeting, the Board of Directors of the company be and is hereby authorized in accordance with the provisions of Sec.180(1)( c ) and other applicable provisions if any, of the Companies Act, 2013, to borrow from time to time all such sums of money as may deem requisite for the purpose of the business of the Company provided that the monies to be borrowed together with the monies already borrowed by the company apart from temporary loans obtained from the company's bankers in the normal course of business shall not exceed the aggregate of the paid-up capital and free reserves by more that Rs. 35 Crores (Rupees Thirty Five Crores only)".

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize and execute such documents as may be required and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary proper or desirable in the best interest of the Company.”

**9. Authority to create mortgages, charges and hypothecations**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT, in modification of the resolution passed at the previous Annual General Meeting, the consent of the Company be and is hereby accorded to the Board of Directors pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, read with Articles of Association of the Company, for the creation of such mortgages, charges and hypothecations, on all immovable and movable properties of the Company, both present and future, up to an amount not exceeding the aggregate of the paid up capital and free reserves by more than Rs. 35 Crores (Rupees Thirty Five Crores only) in favour of lending Financial Institution (s) / Corporate Body (s) / person (s) / Corporation (s) / Government (s) / Lenders (s) / Bank (s) for monies borrowed or to be borrowed.”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to finalize the terms and conditions for creating the aforesaid mortgages and / or charges and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to this resolution.”

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

**Place: Hyderabad**

**Date: August 14, 2017**

**Ravi Vishnu  
Managing Director  
(DIN-01144902)**



**NOTES:**

1. A shareholder entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll on behalf of him and the proxy need not be a member. The proxy form (available elsewhere in the annual report) should be deposited at the Registered Office of the company not less than 48 hours before the commencement of the AGM. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a shareholder holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. The Registers of Members and Share Transfer Books of the Company will remain closed from 23 September, 2017 to 29 September, 2017 (Both days inclusive).
3. An Explanatory Statement pursuant to provisions of section 102 of the Companies Act, 2013(Act), is annexed hereto for the item Nos.5 and 6.
4. The shareholders desiring any further information as regards the accounts and operations of the Company are requested to write to the Company so as to reach it at least one week prior to the date of the meeting for consideration of the management to deal at the meeting.
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or the Company's Registrar and Transfer Agent for assistance in this regard.
6. The shares of the company were earlier listed at Bangalore Stock Exchange Limited (BGSE). BGSE was derecognized as stock exchange vide SEBI notification dated 26.12.2014. The shares of the Company were listed at the Bombay Stock Exchange (BSE) under direct listing route under B Group vide BSE's letter dated 27.01.2015. Members are requested to note the new Security Code of the Company 538922, Security ID CSSTECH. The Annual listing fee to BSE for FY 2016-17 has been paid within the time.
7. The members requested to bring their copies of Annual report with them at the time of attending Annual General Meeting.
8. Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting pursuant to SEBI(LODR) Regulations, 2015.

Name of the Director	Date of Birth	Date of Appointment	Qualification	Expertise	Other Directorships	Chairmanship / Membership of committees of other companies	Share holding in the Company
Aruva Bhopal Reddy	15.06.1962	01.01.1998	M.Sc in Applied Geology from IIT, Kharagpur.	32 years of rich experience in Multiple business areas	NIL	NIL	477000

9. In accordance with the MCA's "Green Initiative in Corporate Governance" allowing companies to share documents with its shareholders in the electronic mode and related amendments to the Listing Agreement with the Stock Exchanges, the company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed by the shareholders. Shareholders are requested to support this green initiative by registering/updating their e-mail addresses for receiving electronic communications.
10. Relevant documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
11. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company has made arrangement for providing the facility to vote at the AGM by electronic means. Members of the Company can transact all the items of the business through electronic voting system as contained in the Notice of the Meeting.

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

- A. The voting period begins on 22.09.2017, 10 AM and ends on 24.09.2017, 6 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18-09-2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- B. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- C. E-Voting to be done in the following manner:
- Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - Click on "Shareholders" tab.

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

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

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

- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for “COSYN LIMITED” on which you choose to vote.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same 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.
- xviii. Note for Non-Individual Shareholders and Custodians:
  - ❖ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - ❖ They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - ❖ After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - ❖ The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - ❖ They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
  - ❖ 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.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Voting through Ballot**

- i. A Ballot form is provided (annexed to this annual report) for the benefit of the members who do not have access to e-voting facility to enable them to send their assent or dissent by post.
  - ii. Ballot form duly filled should reach the Company before the end of business hours on 25th September 2017.
  - iii. The scrutinizer shall decide validity of the ballot form. The scrutinizer shall collate the votes downloaded from the e-voting and votes received through physical ballot, to declare the final result for each of the resolutions forming part of the AGM notice.
12. The Company has appointed Mrs. Putcha Sarada, Practicing Company Secretary as scrutinizer who will scrutinize the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of e-voting period, submit her report of the votes cast in favour or against, to the Chairman of the Company.
13. The Results of the voting shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.cosyn.in](http://www.cosyn.in) within two (2) days of passing of the resolutions at the AGM and communicated to the Stock Exchanges.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013****Item 5**

It is recommended by Nomination and Remuneration Committee and Board of Directors to increase the remuneration of Mr. Ravi Vishnu who is the Managing Director of the Company. The said increase in the remuneration will be within the stipulations of Sections 196, 197, 198, 203 of the Act and Schedule V thereto. Mr. Ravi Vishnu, his wife Mrs. Ravi Kasturi are interested in this resolution. Except them, none of the other Directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the said resolution. The Board recommends resolution under Item No. 5 to be passed as a special resolution.

**Item 6**

It is recommended by Nomination and Remuneration Committee and Board of Directors to increase the remuneration of Mr. A. Bhopal Reddy who is the Whole-Time Director of the Company. The said increase in the remuneration is within the stipulations of Sections 196, 197, 198, 203 of the Act and Schedule V thereto. Except Mr. A. Bhopal Reddy, none of the other Directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the said resolution. The Board recommends resolution under Item No. 6 to be passed as a special resolution.

**Item 7 & 8**

The Company may need to borrow in excess of paid up capital and free reserves to meet the corporate and working capital requirements. As per Section 180 (1)(a) & (1)(c) of Companies Act, 2013, approval of shareholders by way of special resolution is required for borrowing in excess of Paid up capital and Free Reserves and to create charge on properties of the company.

The Directors recommends to the members for Special Resolutions pursuant to Section 180 (1)(a) & (1)(c) of Companies Act, 2013.

None of the Directors, Key Managerial Personnel and their relatives are interested or concerned in the said resolution.

**Place : Hyderabad**  
**Date : August 14, 2017**

**For and on behalf of the Board**

**Sd/-**  
**Ravi Vishnu**  
**Managing Director**  
**(DIN-01144902)**

**DIRECTORS' REPORT**

To

The Members,

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report together with the Audited Accounts for the Financial Year ended 31<sup>st</sup> March 2017.

**Financial Results**

Your Company has been able to generate total revenue of Rs. 3,171.04 Lakhs during the financial year under review as against total revenue of Rs. 2,456.68 Lakhs during the previous financial year. Brief Financials are as follows:

**Rs. In Lakhs**

<b>Particulars</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
Total Revenue	3,171.04	2,456.68
Less : Expenditure	2,475.54	2,092.93
Less : Exceptional Items	-	-
<b>Profit before Tax</b>	<b>695.50</b>	<b>363.75</b>
Less : Provision for Income Tax	2.96	(7.63)
Less : Provision for Deferred Tax (Current Year)	-	-
<b>Net Profit</b>	<b>692.54</b>	<b>371.38</b>
<b>Earnings Per Share</b>	<b>9.23</b>	<b>4.95</b>

**Dividend**

The Board recommended a Dividend of Rs.1/- i.e., 10% per equity share on face value of Rs. 10/- each for the year ended 31st March, 2017.

**Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

**Review of business operations and future prospects:**

The Company has achieved a turnover of Rs. 3,146.95 lakhs and Net Profit of Rs. 695.24 lakhs as against Rs. 2,435.31 lakhs and Rs.371.38 lakhs in the previous year respectively.

**Subsidiary / Joint Venture / Associate Companies**

The Details of Associate Companies are mentioned in MGT 9 i.e., Extract of Annual Return and financial statements.

**Details of Policy Developed and Implemented By the Company on its Corporate Social Responsibility Initiatives**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**Future Outlook:**

Your Board of Directors have initiated various strategic moves to overcome the competition. Also, to derisk the dependence on few core verticals the Company has identified and is investing on new opportunities. Further, the Company is also taking measures to keep the operating costs low wherever possible.

**Capital Expenditure:**

During the year under review the company has made Capital Expenditure of Rs. 88.15 lakhs.

**Deposits:**

The Company has not accepted any deposits and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet for the year ended on 31<sup>st</sup> March 2017.

**ISO 9001:2008 Certification**

Your Company continues to hold ISO 9001-2008 Certification by complying with all the requirements of Certification from time to time.

**ISO 27001:2013 Certification**

Your Company continues to hold the Certification by complying with all the requirements of Certification from time to time.

**ISO 20000-1: 2011 Certification**

Your Company continues to hold the Certification by complying with all the requirements of Certification from time to time.

**Board of Directors & Key Managerial Personnel**

Relevant information on composition of the Board and number of meetings is provided in 'Board of Directors' section of Corporate Governance Report which forms part of this Annual Report.



**Appointment**

Mr. Rama Rao Karumanchi (DIN: 07532854) appointed as Additional Director of the Company in the board meeting held on 30.05.2016 and regularized as Director in 22nd Annual General Meeting held on 29.09.2016 and appointed as Independent Director for a period of five (5) years.

Pursuant to the articles of association of the company and the provisions of Section 152 of the Companies Act, 2013, Mr. Aruva Bhopal Reddy retires by rotation at the ensuing AGM and offer himself for re-appointment. Pursuant to the provisions of SEBI (LODR) Regulations, 2015, brief particulars of the directors who are proposed to be appointed/re-appointed are provided in the notes to the notice convening the AGM.

**Resignations**

Pursuant to HR Policy of the Company and provisions of the Companies Act, 2013 and other applicable rules, at the Board meeting held on 14.08.2017, Wg. Cdr. V.L. Nanda Kumar, Shri.T. Krishna Rao, and Shri. Ravi Radhakrishna Murthy tendered their resignations as Directors w.e.f 14.08.2017 and the Board approved the same. Shri.D. Vikram Reddy also resigned w.e.f 14.08.2017 and the Board approved the same.

Except as stated above, there is no change in the key managerial personnel during the year.

**Statement on Declaration given by Independent Directors under sub-Section (6) of Section 149**

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of Independence as provided in sub-section (6).

**Policy on Directors' Appointment and Remuneration and other details**

The Company's policy on Directors' appointment and remuneration and other matters provided in section 178(3) of the Act have been disclosed in the corporate governance report, which forms part of the directors' report.

**Number of Board Meetings during the year**

During the year, 4 meetings of the Board were held, the details of which form part of the report on corporate governance.

**Board Evaluation and Assessment**

In compliance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the performance evaluation of the Board and of its Committees was carried out during the year under review. More details on the same are given in the Corporate Governance Report.

**Auditors**

## a) Statutory Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013 read with Rule 6 of Companies (Audit and Auditors) Rules, 2014, the office of M/s. Rambabu & Co. Chartered Accountants as statutory auditors of the company comes to an end. As their term of office comes to an end at ensuing Annual General Meeting, it is proposed to appoint M/s. Suryanarayana & Suresh., Chartered Accountants (ICAI Reg. No. 006631S) as the statutory auditors of the company to hold office for a term of three consecutive years from the conclusion of the ensuing Annual General Meeting until the conclusion of the 26<sup>th</sup> AGM of the Company to be held in the year 2020, subject to ratification at every AGM. The Board recommends the resolution for your approval.

## b) Internal Auditors

The Board of Directors based on the recommendation of the Audit Committee has re-appointed M/s. Vittal & Co., Chartered Accountants, as the Internal Auditors of your Company for FY 2017-18. The Internal Auditors are submitting their reports on quarterly basis for review of the Board.

## c) Secretarial Auditors

The Board has appointed Smt. Putcha Sarada, Company Secretary in Practice, to carry out the Secretarial Audit under the provisions of section 204 of the Companies Act, 2013 for the financial year 2016-17. The Report of the Secretarial Auditor is annexed to this report.

**Auditors' Report and Secretarial Auditors' Report**

The Auditors' Report and Secretarial Auditors' Report do not contain any qualifications, reservations or adverse remarks. Report of the Secretarial Auditor is annexed to the Directors Report.

**Conservation of Energy, Research and Development, Technology absorption, Foreign Exchange Earnings and Outgo**

Information relating to conservation, technology absorption, foreign exchange earnings and outgo forming part of Director's Report.

**Conservation of Energy**

The operations of your company are not Energy intensive. The Company makes every effort to conserve energy as far as possible in its facilities. The Company continuously evaluates new technologies and techniques to make infrastructure more energy efficient.

**Technology Absorption**

Your Company did not invest in any R & D activity during the year under consideration. However, realizing the importance of being in sync with the current trends in technology, your Company keeps investing on absorption of new technologies by procuring the required hardware and software and also by training the manpower.

**Foreign Exchange Earnings and Outgo Particulars:**

<b>Particulars</b>	<b>2016-17 (Rs.)</b>	<b>2015-16 (Rs.)</b>
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	30,50,513/-	16,05,640/-

**Management Discussion & Analysis Report**

Pursuant to the provisions of SEBI (LODR) Regulations, 2015 a report on Management Discussion & Analysis is enclosed to the Annual Report.

**Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

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

**Indian Accounting Standards**

The Ministry of Corporate affairs vide its notification dated 16-02-2015, has notified the Companies (Indian Accounting standards), Rules, 2015. In pursuance of the said notification, the Company will adopt Indian Accounting Standards with effect from 01<sup>st</sup> April 2017. The implementation of Indian accounting standards is a major change process for which the company has set up a dedicated team and is providing desired resources for its completion within the time frame. The impact of the change on adoption of said IAS is being assessed.

**Particulars of Loans, Guarantees and Investments**

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

**Related Party Transactions**

None of the transactions with related parties falls under the scope of section 188(1) of the Act. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and is annexed to the Directors Report.

**Extract of Annual Return (MGT 9)**

The extract of the annual return in Form MGT 9 as required under the provisions of section 92 of the Act is annexed to the Director's Report.

**Particulars of Employees**

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

<b>Executive Directors</b>	<b>Ratio of Remuneration of each director to the Median Remuneration of employees</b>
Ravi Vishnu	30
A.Bhopal Reddy	30
Non - Executive Directors *	-

\*Non- Executive Directors do not receive any remuneration from the Company except sitting fees and conveyance for attending the meetings.

- b. **The percentage increase in remuneration of each Director, Chief Executive officer, Chief Financial Officer, Company Secretary in the financial year:**

<b>Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary</b>	<b>% increase in remuneration in the financial year</b>
Ravi Vishnu	NIL
A.Bhopal Reddy	NIL
Raghupathi Rao. K	NIL
Aravind Aitipamula	12.31

c. **The percentage increase in the median remuneration of employees in the financial year: 7.20%**

d. **The explanation on the relationship between average increase in remuneration and Company performance:**

On an average, employees received an annual increase of 13.33%. The individual increments varied from 1.74 % to 45.45%, based on individual performance and market dynamics.

e. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of key managerial personnel (KMP) in FY'17	Rs. 64,89,182
Revenue	Rs. 31,71,04,968
Remuneration of KMPs (as % of revenue)	2.05%
Profit before Tax (PBT)	Rs. 6,95,50,250
Remuneration of KMP (as % of PBT)	9.33%

f. **Variations in the Market Capitalisation of the Company, Price Earnings Ratio as at the closing date of the current financial year and previous financial year:**

Particulars	March 31 2017	March 31 2016	% Change
Market Capitalization (Rs.in Lakhs)	10,290.00	3,322.50	209.71
Price Earnings Ratio	14.86	8.95	66.09

g. **Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	March 31 2017	IPO Date/ first listing date	IPO Price	Adjusted IPO price by considering CA*	% Change
<b>Market Price (BSE)</b>	<b>137.20</b>	May 15, 2000	<b>10/-</b>	N.A.	-

h. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was around 13.33%.  
Increase in the managerial remuneration for the year is 1.00 %.

- i. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

Particulars	Ravi Vishnu, MD	A. Bhopal Reddy, WTD	Aravind Aitipamula, CS	K. Raghupathi Rao , CFO
Remuneration in FY17	30,01,960	29,14,112	1,48,255	4,24,855
Revenue	31,71,04,968			
Remuneration as % of revenues	0.95	0.92	0.05	0.13
Profit before Tax (PBT)	6,95,50,250			
Remuneration (as % of PBT)	4.32	4.19	0.21	0.61

- j. The key parameters for any variable component of remuneration availed by the Directors:  
None
- k. 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: None
- l. Affirmation that the remuneration is as per the remuneration policy of the Company:  
  
The Company affirms remuneration is as per the remuneration policy of the Company
- m. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in this report. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

### Risk Management

The Board of Directors has formed a risk management committee to identify, evaluate, mitigate and monitor the risk management in the company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls.

A comprehensive enterprise risk management mechanism has been put in place and the same is regularly reviewed.

**Corporate Governance**

As per SEBI (LODR) Regulations, 2015 and Companies Act, 2013 on Corporate Governance, the Company has complied with the Corporate Governance requirements. A separate section on Corporate Governance along with a certificate from the auditors confirming the compliance forms part of this Report.

**Significant and material orders passed by Regulators or Courts**

There are no significant material orders passed by the Regulators or Courts which would impact the going concern status of the Company and its future operations.

**Adequacy of Internal Financial Control Systems with reference to Financial Statements**

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures designed to ensure reliability of financial reporting timely feedback on achievement of operational and strategic goals, compliance with policies procedure, applicable laws and regulations and that all assets and resources as acquired are used economically.

**Disclosure Requirements**

Details of the familiarization programme of the independent Directors are available on the website of the Company [www.cosyn.in](http://www.cosyn.in).

Policy for determining material subsidiaries of the Company is available on the website of the Company [www.cosyn.in](http://www.cosyn.in).

Policy on dealing with related party transactions is available on the website of the Company [www.cosyn.in](http://www.cosyn.in).

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including Directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the section 177(9) of the Act and the SEBI (LODR) Regulations, 2015. The said policy is available on the website of the Company [www.cosyn.in](http://www.cosyn.in).

The company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All associates of the company are covered under this policy. There were no complaints received under the policy during 2016-17.

**Managing Director/CEO's Declaration**

Pursuant to the provisions of SEBI (LODR) Regulations, 2015, a declaration by the Managing Director & CEO 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 annexed to the Directors Report. The CEO/CFO certification to the board is annexed to the Directors' Report.

**Acknowledgments**

Your Directors extend their gratitude to the valuable customers, investors, Bankers, Central and State Government Officers and Agencies for the confidence, which they have reposed in the Management.

We place on record our appreciation of the contribution made by employees at all levels. Our consistent performance was made possible by their hard work, solidarity, co-operation and support.

For and on behalf of the Board of Directors

Sd/-

**Ravi Vishnu**  
Managing Director  
(DIN-01144902)

Sd/-

**A.Bhopal Reddy**  
Whole-Time Director  
(DIN-01119839)

Place : Hyderabad

Date : August 14, 2017



**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis : **NONE**
2. Details of material contracts or arrangement or transactions at arm's length basis : **NIL**

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

**Sd/-**  
**Ravi Vishnu**  
Managing Director  
(DIN-01144902)

Place: Hyderabad  
Date: August 14, 2017

**SECRETARIAL AUDIT REPORT  
FORM NO. MR-3**

[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]

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

To,  
The Members,  
Cosyn Limited  
6-1-85/10, Opp. Telephone Bhavan  
Saifabad, Hyderabad  
Telangana– 500 004

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Cosyn 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 my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended March 31, 2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2017 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
- 5) 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- 6) Contract Labour (Regulation and Abolition) Act, 1970
- 7) Employees State Insurance Act, 1948
- 8) Employees Compensation Act, 1923
- 9) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- 10) Factories Act, 1948
- 11) Industrial Disputes Act, 1947
- 12) Industrial Employment (Standing Orders) Act, 1946
- 13) Indian Contract Act, 1872
- 14) Income Tax Act, 1961 and Indirect Tax Laws
- 15) Indian Stamp Act, 1999
- 16) Minimum Wages Act, 1948
- 17) Payment of Bonus Act, 1965
- 18) Payment of Gratuity Act, 1972
- 19) Payment of Wages Act, 1936

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.  
(Notified w.e.f. 1st July, 2015)
- (ii) The Listing Agreement entered into by the Company with BSE Limited

The existing Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) w.e.f. 1st December, 2015 entered into by the Company with BSE Limited. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

All meetings were duly held in compliance with provisions of the Companies Act, 2013, rules thereof and the Secretarial Standard 1 issued by the Institute of Company Secretaries of India 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 the decisions in the Board meeting were taken unanimously during the audit period.

I 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.

I further report that during the audit period there were no instances

- a) Public/Right/Preferential issue of shares/debentures/sweat equity, etc.
- b) Redemption/buy-back of securities
- c) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- d) Merger/amalgamation/reconstruction, etc.
- e) Foreign technical collaborations

**Sd/-**  
**Putchu Sarada**  
**Practicing Company Secretary**  
**ACS No. 21717**  
**CP No. 8735**

Place: Hyderabad

Date: 14<sup>th</sup> August, 2017

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.

**'ANNEXURE A'**

To,  
The Members  
Cosyn Limited  
6-1-85/10, Opp. Telephone Bhavan,  
Saifabad, Hyderabad – 500 004

My Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process 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. I believe that the process and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
5. 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.

**Sd/-**  
**Putcha Sarada**  
**Practicing Company Secretary**  
**ACS No. 21717**  
**CP No. 8735**

Place: Hyderabad  
Date: 14<sup>th</sup> August, 2017

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Cosyn Limited, your company, this year too had marched forward smartly clocking significant growth encashing on the core strengths and by exploring new markets which could bring in significant growth in revenues in the coming years. Apart from its significant presence in the Utility markets, e-Governance and IT services segment, your company is active in developing cloud solutions for the HR and Oil and Gas verticals to cater to the global markets.

Government of India has been laying strong emphasis on the use of technology to uplift the poverty and provide basic services to all its citizens especially those related to utilities and infrastructure. Smart Cities, Smart Grids and introduction of Smart Meters and Metering are the core initiatives which will have significant bearing on your company in the coming years. The Government of India embarked on the Smart Cities Mission in 2015 to create hundred Smart Cities to fulfill the promise of sustainable living. These cities will boast of state-of-the-art infrastructure and provide a good quality of life to its citizens, while promoting 'smart solutions' to tackle issues caused by rapid urbanization. To develop hundred such smart cities for the future, the Smart City Mission requires an investment of about USD 1.2 trillion in the next 20 years.

For India, smart meters represent a possible game changer by handing power distribution companies the ability to address billing inefficiencies that have contributed to their losses and debt burden. Global investment in the technology is expected to hit \$19 billion in this segment in the coming years. India is aiming to help its ailing power distribution companies by buying five million smart meters this year for two of its northern states to execute the pilot project through Energy Efficiency Services Ltd., the government agency responsible for running the country's energy efficiency programs.

With more than two decades of experience, your company is uniquely placed to capitalize on the market opportunity presented by the smart cities mission and smart metering. Your company is actively engaging itself to team up national and global level companies to synergize the strengths and to bid for the projects.

Your company continues to develop the state-of-the-art cloud based solutions for the global markets especially catering to the HR and oil and Gas verticals. These products are aimed to fill the gaps in market solutions currently available and provide the industry with affordable and infrastructure hassle free alternatives.

Cosyn Limited has commenced sharing its technical expertise in Utility Billing for Water and Electricity consumers in Muscat, Oman in the last year. It forged strong relationship with local partner in Oman and envisages that the association will lead to expansion of services in the Gulf Region.

Cosyn Limited continues to lay emphasis on quality and is certified for ISO 9001, ISO 20000-1 and ISO 27001 certifications related to Software Development, IT BPO Services, Data Management Services and Infrastructure Management.

## SMART CITY MISSION OF INDIA

Smart Cities Mission is an urban renewal and retrofitting program by the Government of India with a mission to develop 100 cities all over the country making them citizen friendly and sustainable. The Union Ministry of Urban Development is responsible for implementing the mission in collaboration with the state governments of the respective cities. As of June 2017, 90 cities have been selected for upgrade as part of smart city mission after they defeated other cities in the challenge. It is estimated that a total of about Rs. 1,91,000 crore will be invested in the selected smart cities to improve the core infrastructure, for giving decent quality of life to the citizens, providing clean and sustainable environment and for application of smart solutions.

The concept of smart city has been conceived as an approach to address urban problems, by making use of Information and Communication Technologies (ICT) to increase the quality, efficiency and interactivity of urban services, reduce costs and resource consumption, and improve the interactions between government, citizens and businesses.

The core infrastructure elements in a Smart City would include adequate water supply, assured electricity supply, sanitation, including solid waste management, efficient urban mobility and public transport, affordable housing, especially for the poor, robust IT connectivity and digitalization, good governance, especially **e-Governance** and citizen participation, sustainable environment, safety and security of citizens, particularly women, children and the elderly and health and education.

In order to make a city smart, improvement of physical infrastructure elements including roads, ports, railways, buses, parks, parking, pavements, **electricity, water, sewage, sanitation and gas** is mandatory. Not only the improvement of infrastructure elements but their efficient management and interconnectivity becomes a high priority. This calls for smart solutions and experienced implementing partners.



E-governance is considered as the core and most important challenge of smart cities initiatives. It refers to the use of information and communication technologies in the public sector with the aim of improving information and service delivery, reinforcing government transparency, accountability and credibility, and encouraging citizen participation in decision making processes. E-governance enables delivery of services related to government-to-citizens (G2C), government-to businesses (G2B), and government-to-government (G2G) services, exchange of information, communication, and transactions and in internal government operations, aiming to simplify and improve democratic, business and governmental aspects of governance.

Your company, Cosyn Limited, with over two decades of large scale E-governance implementation experience across the Indian cities is probably in most unique position to quickly customize and deploy several segments of the core applications related to the citizens portals, smart energy and smart public utility services of the smart cities projects. Cosyn Limited with its deep domain knowledge can also play a key role in integration and implementation of smart city projects and also deliver managed services to run the systems over the lifetime of the projects.

Your Company is already in the process of partnering with some of the key smart city system implementers to synergize the strengths and bid for large projects across the country.

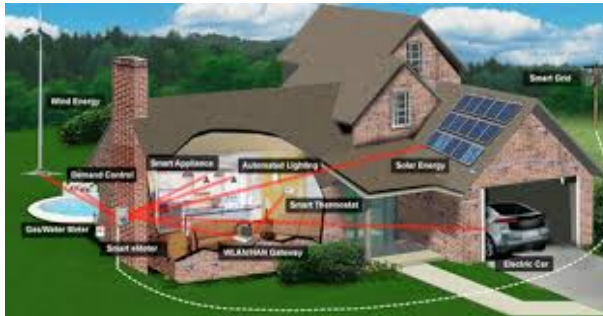
### **SMART GRID AND SMART METERING**

Around the globe, electricity generation, transmission and the distribution landscape have been rapidly changing. The emergence of multiple sources of power, including renewable sources like solar and wind, enforces changes to the age-old practice of injection of power through limited points. Especially rooftop solar-power production necessitates multi-point power injection into the existing grid. Multi-point injection and withdrawal along with the intermittent nature of renewable supply necessitate efficient and smart grids. This means the aging grids need modernisation and automation to achieve multiple objectives of providing reliable, affordable, and uninterrupted power to domestic, commercial, and industrial consumers. Further, smart grids have been successful in minimising transmission and distribution losses in many developed countries. The European Union (EU) targets to phase out 80 per cent of existing electricity meters by efficient smart meters by 2020. It is estimated that smart metering and smart grids rollout could reduce emissions and household energy consumption to the extent of 9 per cent in the EU. Implementation of smart metering and smart grids in India could have a similar or greater impact.

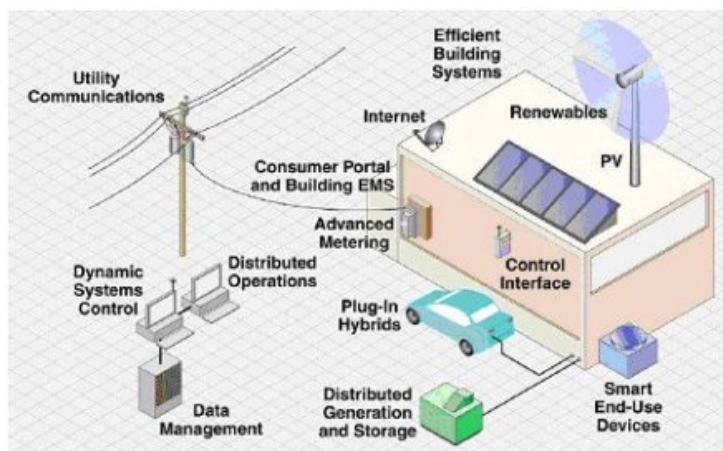
Most of India's power distribution companies, or discoms, lose money on every unit of power sold due in part to theft, inadequate billing and selling below cost to poor and agricultural consumers. The debt levels limit their ability to adequately meet the power demands of existing customers or add new consumers in a country where millions of households don't have electricity, but where power plants also remain underutilized. In future, smart meters and smart metering will be the only solutions to arrest the power thefts and hence will also form an important component of the smart city mission.



Measuring energy consumption is the key to explore better opportunities for savings. Houses and buildings consume over 50% of the electricity produced. The challenge is to monitor energy usage in real-time for more energy conservation & efficient management of electrical power coming from distributed and volatile sources. Monitoring allows calculating the cost of running specific appliances and electronics in real time. The peak demand for electricity will increase by 30% y-o-y due to usage of high energy appliances like Air conditioners (AC) which will account for 1/6th of total energy consuming appliances by 2020. Thus, monitoring peak demand will be the key to find achieve energy efficiency and optimize the cost of electricity.



Electricity cost in future shall depend on usage patterns at different times of the day – Off-peak, Mid-peak, On-peak hours etc. Dynamic pricing and Time-based pricing (Time-of-Use Tariff) may emerge as the new reality in the power sector. Implementation of dynamic pricing means users may have to pay different prices for electricity consumed at different times of the day, subject to varying cost of supplying electricity. Smart Meter can monitor and record energy consumed during these time segments. It works by communicating directly with the energy supplier and monitoring energy in real time & communicating to control system. This enables accurate and up-to-date insights on usage trends with information captured and transmitted from connected devices in the field.



Source: Electric Power Research Institute

Cloud computing has the potential to revolutionise the smart grid IT infrastructure. Smart meter on cloud can enable analytics capability of remote data collection and analysis, advanced metering infrastructure (AMI), remote diagnosis, equipment load management, outage analysis, off peak / on peak load monitoring.

At the present moment India has 200 million legacy meters and there are plans to install up to 130 million smart meters by 2021. To top it off the government is planning to invest up to \$21 billion till 2025 in smart grid technologies. Also 14 smart grid pilots have been launched in cities across India, to push smart solutions in the power generation and distribution industry. The Indian market is looking at a long term opportunity at smart meters and smart grid technologies. The motivation is to curb theft of electricity, control transmission and distribution losses to internationally acceptable levels, do better supply planning based on analysis of real demand data, and to monitor real impact of related initiatives

Cloud computing has the potential to revolutionize the smart grid IT infrastructure. Smart meter on cloud can enable analytics capability of remote data collection and analysis, advanced metering infrastructure (AMI), remote diagnosis, equipment load management, outage analysis, off peak / on peak load monitoring.

Your company, Cosyn Limited, has rich and diversified experience of developing and deploying meter-to-cash solutions for the utility markets from last two decades. Combined with its competency in developing cloud based solutions, your company is on a sound footing to capitalize on the huge opportunity of smart metering in the near future.

### METER TO CASH FOR UTILITIES

Cosyn Limited, since its inception has a significance presence in different DISCOM's of the country delivering turnkey solutions related to meter to cash activities. The company has been intricately involved in the evolutionary changes in the progressive systems of utility billing. Cosyn Limited with its strong in-house software development team coupled with the industry recognized domain experts have been offering reliable and robust utility industry vertical applications. Its in-house developed Android and cloud based applications currently address diverse requirements for electricity, water and sewerage consumer billing.



Cosyn Limited estimates the utility market billing will grow to INR 1,500 crores per annum over the next three years and with its vast experience and pan India presence it is all set to garner a sizable share of the market. Coupled with this Cosyn Limited along with a local consortium partner had bagged a utility billing project in OMAN and is successfully implementing it with the local partners. This development will further open new vistas for Cosyn Limited to aggressively expand in the utility services markets of the Gulf Region.



In line with focus into Office productivity apps, COSYN is on the verge of launching a staff tracking/attendance application named as timeFrank, targeting both international and domestic markets. The application employs feature rich, easy to use User Interfaces and low cost Staff attendance capture systems. It Deploys advanced analytics for updated dashboards and employee interaction. It uses advanced GPS location positioning systems to capture the attendance locations which can be used for audit/approval process.

COSYN offers Geo-Attendance Solution on a mobile platform that ensures off-site employee management and engagement. COSYN harnesses the power of geofencing technology by monitoring employees working in specific locations or doing remote field work. Utilizing a smart phone or a GPS-enabled device employer can log their field work.

The necessary copy right and trade mark approvals have been received.

Some of its features include:

❖ **Real Time Attendance**

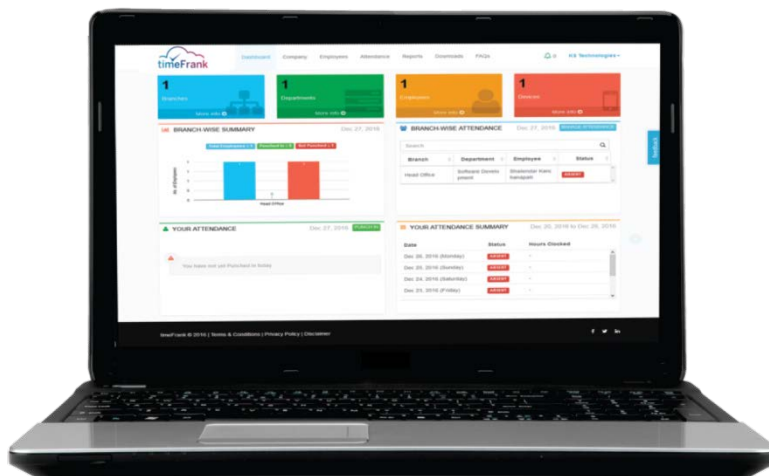
No matter where employee/manager go, they will have anytime access to the latest staff attendance

❖ **Mobile App**

All versions of timeFrank come with free Android and iPhone app for attendance capture



- ❖ **Geo Attendance**  
Track real time location of all the employees on field or other work sites. Employees can mark their attendance via mobile once they enter the building or its defined radius
- ❖ **Easy Customizations**  
timeFrank has easy options to customize the staff attendance or the settings to be applied to the attendance
- ❖ **Web Based Punch-In and Punch-Out**  
Staff can optionally be granted permission to use their cloud login to Punch-In and Punch-Out, in case the employee is working from another location.



❖ **Dashboard**

Managerial level snapshot view immediately upon login. Can get updated information about the company employee attendance in the form of easy to read graphs on your Dashboard!

❖ **Anytime Anywhere Access**

timeFrank runs on the cloud, hence the data is saved and backed up on the best servers. Access to data will be available anytime and from anywhere



Cosyn Limited, with focus on encasing the absence of cloud based data storage, data sharing, data archiving and retrieval systems for SME well logging and oil field development companies has developed a cloud based portal named **WellToDesk**.

WellToDesk is primarily a cloud based OFDB (**Original Format Database**) for storage of well data. It consists of a well centric searchable database with high levels of security to protect the confidentiality of the well data. Not only does the system function as an OFDB, but there is significant emphasis on the managed sharing of data to be able to use it as a data delivery mechanism from the wellsite.

Any well in the system can have a distribution list attached for users who should have access to the data. All users on this list will be notified when data is uploaded so they can download it. **Uploads are restricted to certain users** and currently only field crews or corporate database administrators can upload data to the field tape repository.

Despite the inherent complexity of the system, we have designed it to be **easy to use**.

Some of its features include:



**Well Centric Database**

Well centric database searchable via pre-defined or custom criteria

## Header Information

Header information pulled from files uploaded, verified to prevent duplication of wells / fields etc. due to slight syntax variations



## Encryption and Security



256-bit encryption and security throughout. Managed distribution lists for data sharing

## Monitored & Supported 24/7

Monitored and supported 24/7. Users required to register first and must be approved before use



## Subscriptions / Pay as you go



Monthly subscriptions or pay as you go dependent on your requirements (service company uploads of new data have 30 day free download period)

## Other Services Offered include:

**Well Digitization:** WellToDesk offers digitization of field prints from either paper (or film) or graphic files (e.g. pdf). It uses a combination of commercially available (Neuralog) and proprietary software for digitization.

**Field Tape Recovery:** WellToDesk will extract data from old tapes, this includes 9-Track tapes, QIC, DAT, Exabyte etc.

**Image Log Processing:** provides image log processing for most commercially available image tools. New tools can often be added to the system quickly.

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

S.No	CIN	U72200TG1994PLC017415
1.	Registration Date	25.04.1994
2.	Name of the Company	COSYN LIMITED
3.	Category/Sub-category of the Company	Company Limited by shares/Indian Non-Government Company
4.	Address of the Registered office & contact details	# 6-1-85/10, Opp. Telephone Bhavan, Saifabad, Hyderabad – 500 004.
5.	Whether listed company	Yes
6.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. XL Softech Systems Limited, 3, Sagar Society, Road No.2 Banjara Hills, Hyderabad – 500 034, India. Tel : +91-40-23545913, 23545914 Fax : +91-40-23553214.

**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:

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	IT ENABLED SERVICES	8920	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:**

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate company	% Of Shares held	Applicable Section of Companies Act, 2013
1	COSYN LLC	802278211	Subsidiary	100	2(87)
2	WELLTODESK	802581559	Subsidiary	66	2(87)

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

**1. Category- wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters and Promoter Group</b>									
(1) Indian									
a) Individual/ HUF	38,98,585	0	38,98,585	51.98	38,79,785	0	38,79,785	51.73	-0.48
Central Govt	-	-	-	-	-	-	-	-	-
State Govt (s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	4,68,460	-	4,68,460	6.25	4,68,460	-	4,68,460	6.25	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :-	43,67,045	-	43,67,045	58.23	43,48,245	-	43,48,245	57.98	-0.43
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	43,67,045	-	43,67,045	58.23	43,48,245	-	43,48,245	57.98	-0.43
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-



f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp.	2,47,516	6,700	2,54,216	3.39	1,90,432	6,700	1,97,132	2.63	-22.45
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakhs	13,77,858	1,36,341	15,14,199	20.19	18,75,237	1,33,841	20,09,078	26.79	32.68
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakhs	10,91,963	99,000	11,90,963	15.88	6,87,494	99,000	7,86,494	10.49	-33.96
c) Others:	37,037	1,36,540	1,73,577	2.31	1,05,051	54,000	1,59,051	2.12	-8.37
Sub-total (B)(2):-	27,54,374	3,78,581	31,32,955	41.77	28,58,214	2,93,541	31,51,755	42.02	0.60
Total Public Shareholding (B)=(B)(1)+(B)(2)	22,57,864	3,11,959	25,69,823	46.35	22,62,264	3,09,559	25,71,823	46.39	0.04
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>71,21,419</b>	<b>3,78,581</b>	<b>75,00,000</b>	<b>100</b>	<b>72,06,459</b>	<b>2,93,541</b>	<b>75,00,000</b>	<b>100</b>	<b>0</b>

**2. Shareholding of Promoters/ Promoters Group**

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Ravi Vishnu	8,50,539	11.34	-	8,50,539	11.34	-	-
2	R Radhakirshna Murthy	5,41,100	7.21	-	5,41,100	7.21	-	-
3	D Vikram Reddy	7,40,500	9.87	-	7,40,500	9.87	-	-
4	Ravi Vishnu(HUF)	2,70,850	3.61	-	2,70,850	3.61	-	-
5	R Seetha	2,58,731	3.45	-	2,58,731	3.45	-	-
6	Bhopal Reddy A	4,81,400	6.42	-	4,77,000	6.36	-	<b>-0.06</b>
7	R Radha Krishna Murthy(HUF)	1,58,400	2.11	-	1,58,400	2.11	-	-
8	Granada Engineers Limited	1,45,000	1.93	-	1,45,000	1.93	-	-
9	Ravi Kasturi	2,85,800	3.81	-	2,85,800	3.81	-	-
10	RRK Enterprises Private Limited	3,23,460	4.31	-	3,23,460	4.31	-	-
11	A Srinivasa Rao	17,515	0.23	-	7,515	0.10	-	<b>-0.13</b>
12	Ravi Anand Kumar	83,750	1.12	-	83,750	1.12	-	-
13	Ravi Aiswarya	75,000	1.00	-	75,000	1.00	-	-
14	B Triveni	1,35,000	1.80	-	1,30,600	1.74	-	<b>-0.06</b>
	<b>Total</b>	<b>43,67,045</b>	<b>58.22</b>	<b>-</b>	<b>43,48,245</b>	<b>57.98</b>	<b>-</b>	<b>-0.25</b>

**3. Change in Promoters' Shareholding (Please specify If there is No Change)**

Sl. No.	Shareholder's Name	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
<b>1</b>	Ravi Vishnu				
	At the beginning of the year	6,62,562	8.83	6,62,562	8.83
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):				
	<b>At the End of the year</b>	6,62,562	8.83	6,62,562	8.83
<b>2</b>	R Radhakirshna Murthy				
	At the beginning of the year	5,41,100	7.21	5,41,100	7.21
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):				
	<b>At the End of the year</b>	5,41,100	7.21	5,41,100	7.21
<b>3</b>	D Vikram Reddy				
	At the beginning of the year	7,40,500	9.87	7,40,500	9.87
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):				
	<b>At the End of the year</b>	7,40,500	9.87	7,40,500	9.87
<b>4</b>	Ravi Vishnu (HUF)				
	At the beginning of the year	2,70,850	3.61	2,70,850	3.61
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):				
	<b>At the End of the year</b>	2,70,850	3.61	2,70,850	3.61
<b>5</b>	R Seetha				
	At the beginning of the year	2,58,731	3.45	2,58,731	3.45
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /				

	transfer /bonus/sweat equity etc):				
	<b>At the End of the year</b>	2,58,731	3.45	2,58,731	3.45
<b>6</b>	Bhopal Reddy A				
	At the beginning of the year	4,81,400	6.42	4,81,400	6.42
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):	(4,400)	(0.06)		
	<b>At the End of the year</b>	4,77,000	6.36	4,77,000	6.36
<b>7</b>	R Radha Krishna Murthy(HUF)				
	At the beginning of the year	1,58,400	2.11	1,58,400	2.11
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):				
	<b>At the End of the year</b>	1,58,400	2.11	1,58,400	2.11
<b>8</b>	Granada Engineers Limited				
	At the beginning of the year	1,45,000	1.93	1,45,000	1.93
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):				
	<b>At the End of the year</b>	1,45,000	1.93	1,45,000	1.93
<b>9</b>	Ravi Kasturi				
	At the beginning of the year	2,85,800	3.81	2,85,800	3.81
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):				
	<b>At the End of the year</b>	2,85,800	3.81	2,85,800	3.81
<b>10</b>	RRK Enterprises Private Limited				
	At the beginning of the year	3,23,460	4.31	3,23,460	4.31
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):				
	<b>At the End of the year</b>	3,23,460	4.31	3,23,460	4.31
<b>11</b>	A Srinivasa Rao				
	At the beginning of the year	17,515	0.23	17,215	0.23
	Date wise Increase /Decrease in	(10,000)	(0.13)		

	Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):				
	<b>At the End of the year</b>	7,515	0.10	7,515	0.10
<b>12</b>	Ravi Anand Kumar				
	At the beginning of the year	83,750	1.12	83,750	1.12
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):				
	<b>At the End of the year</b>	83,750	1.12	83,750	1.12
<b>13</b>	Ravi Aiswarya				
	At the beginning of the year	75,000	1.00	75,000	1.00
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):				
	<b>At the End of the year</b>	75,000	1.00	75,000	1.00
<b>14</b>	B Triveni				
	At the beginning of the year	1,35,000	1.80	1,35,000	1.80
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):	(4,400)	(0.06)		
	<b>At the End of the year</b>	<b>1,30,600</b>	<b>1.74</b>	<b>1,30,600</b>	<b>1.74</b>

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

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	M Sarvothama Reddy	1,19,886	1.60	51,780	0.69
2	Sasidhar Purushottaman	1,07,100	1.43	82,100	1.09
3	Rajendra Naniwadekar	79,682	1.06	36,548	0.49
4	Ravi Patel	50,000	0.67	50,000	0.67
5	Ajay Desai	0	0	33,874	0.45
6	Porinju V Veliyath	0	0	38,000	0.51
7	Vishal Chhowala	30,000	0.40	30,000	0.40
8	B Naveen Kumar	29,000	0.39	29,000	0.39
9	Konda Sanjay Reddy	0	0	40,000	0.53
10	Uday R Shah (HUF)	4,500	0.06	35,100	0.47

**5.Shareholding of Directors and Key Managerial Personnel:**

Sl.. No.	For each of the Directors and 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
<b>1</b>	<b>Ravi Vishnu</b>				
	At the beginning of the year	8,50,539	11.34	8,50,539	11.34
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): <b>NIL</b>	0	0	0	0
	At the End of the year	8,50,539	11.34	8,50,539	11.34
<b>2</b>	<b>A.Bhopal Reddy</b>				
	At the beginning of the year	4,81,400	6.42	4,81,400	6.42
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): <b>NIL</b>	(4,400)	(0.06)		
	At the End of the year	4,77,000	6.36	4,77,000	6.36
<b>3</b>	<b>D Vikram Reddy</b>				
	At the beginning of the year	7,40,500	9.87	7,40,500	9.87
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):				
	<b>At the End of the year</b>	7,40,500	9.87	7,40,500	9.87
<b>4</b>	<b>Ravi Kasturi</b>				
	At the beginning of the year	2,85,800	3.81	2,85,800	3.81
	Date wise Increase /Decrease in Promoters Share holding during				

	the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):				
	<b>At the End of the year</b>	2,85,800	3.81	2,85,800	3.81
<b>5</b>	<b>R Radhakirshna Murthy</b>				
	At the beginning of the year	5,41,100	7.21	5,41,100	7.21
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/sweat equity etc):				
	<b>At the End of the year</b>	5,41,100	7.21	5,41,100	7.21
<b>6</b>	<b>Wg Cdr VL Nanda Kumar</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	0	0	0	0
	<b>NIL</b>				
	At the End of the year	0	0	0	0
<b>7</b>	<b>Sivarama Krishnamurthy Venkineni</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	0	0	0	0
	<b>NIL</b>				
	At the End of the year	0	0	0	0
<b>8</b>	<b>Venkata Rao Potluri</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	0	0	0	0



	<b>NIL</b>				
	At the End of the year	0	0	0	0
<b>9</b>	<b>Rama Rao Karumanchi</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): <b>NIL</b>	0	0	0	0
	At the End of the year	0	0	0	0
<b>10</b>	<b>Tayi Krishna Rao</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): <b>NIL</b>	0	0	0	0
	At the End of the year	0	0	0	0
<b>12</b>	<b>Kadari Raghupathi Rao</b>				
	At the beginning of the year	100	0.00	100	0.00
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): <b>NIL</b>	0	0	0	0
	At the End of the year	100	0.00	100	0.00
<b>12</b>	<b>Aravind Aitipamula</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): <b>NIL</b>	0	0	0	0
	At the End of the year	0	0	0	0

**V. INDEBTEDNESS**

(Indebtedness of the company including Interest outstanding/accrued but not due for payment)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	189.56	-	-	189.56
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	189.56	-	-	189.56
<b>Change in Indebtedness during the financial year</b>				
*Addition	-	-	-	-
*Reduction	(189.56)	-	-	(189.56)
Net Change	(189.56)	-	-	(189.56)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director and Whole Time Director.**

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Ravi Vishnu	A.Bhopal Reddy	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28,80,000	28,80,000	57,60,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10,620	10,620	21,240
	(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	1,11,340	23,492	1,34,832
	<b>Total (A)</b>	30,01,960	29,14,112	59,16,072
	<b>Ceiling as per the Act</b>	84,00,000	84,00,000	1,68,00,000

**B. Remuneration to Other Directors:**

S. No.	Particulars of Remuneration	Name of Directors								TOTAL AMOUNT (₹)
		Mr. T. Krishna Rao	Wg. Cdr. V.L. Nanda Kumar	Mr. V. Sivarama Krishna Murthy	D. Vikram Reddy	Mrs. R. Kasturi	Mr. R Radha krishna Murthy	Mr. P. VenkatRao	Mr. K. Rama Rao	
1	<b>Independent Directors</b>									
	Fee for attending board committee meetings	-	4000	4000	-	-	-	1000	2000	
	Commission	-	-	-	-	-	-	-	-	
	Others, please specify	-	4000	4000	-	-	-	1000	2000	
	<b>Total (1)</b>		<b>8000</b>	<b>8000</b>				<b>2000</b>	<b>4000</b>	<b>22000</b>
2	<b>Other Non-Executive Directors</b>									
	Fee for attending board committee meetings	-	-	-	-	4000	-	-	-	-
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	<b>4000</b>	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	<b>8000</b>	-	-	-	<b>8000</b>
	<b>Total (B)=(1+2)</b>	-	-	-	-	-	-	-	-	<b>30000</b>
	<b>Total Managerial Remuneration</b>	-	-	-	-	-	-	-	-	59,46,072
	<b>Overall Ceiling as per the Act</b>									<b>1,68,00,000</b>

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS Aravind Aitipamula	CFO Raghupathi Rao K	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,48,255	4,24,855	<b>5,73,110</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(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	-	-	-	-
	<b>TOTAL</b>	-	<b>1,48,255</b>	<b>4,24,855</b>	<b>5,73,110</b>

**VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENSES**

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

For and on behalf of the Board of Directors

Sd/-  
**Ravi Vishnu**  
Managing Director  
(DIN-01144902)

Sd/-  
**A.Bhopal Reddy**  
Whole-Time Director  
(DIN-01119839)

Place : Hyderabad  
Date : August 14, 2017

**MANAGING DIRECTOR AND CFO'S CERTIFICATION**

We have reviewed the financial statements, read with the cash flow statement of COSYN Limited for the year ended March 31st, 2017 and that to the best of our knowledge and belief, we state that;

- a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.  
(ii) These statements present true and fair view of the company's affairs and are in compliance with current Accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or in violation of the company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the auditors and audit committee deficiencies in the design or operation of internal control, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the auditors and audit committee that
  - i) There are no significant changes in internal control over financial reporting during the Year;
  - ii) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements;  
And
  - iii) There are no instances of fraud involving the management or an employee.

Sd/-  
**K. Raghupathi Rao**  
CFO

Sd/-  
**Ravi Vishnu**  
Managing Director

Place: Hyderabad  
Date: 14.08.2017

**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to SEBI (LODR) Regulations, 2015 with the Stock Exchange)

The Corporate Governance Report has been prepared in accordance with SEBI (LODR) Regulations, 2015.

**1. CORPORATE GOVERNANCE PHILOSOPHY**

The Company believes that good corporate governance ensures that we engage in open and democratic process and are held accountable for our business decisions. This is vital to gain and retain investor trust. We also believe that corporate governance norms and processes ensure effective engagement with changing business environment. The Company considers it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as governance of the Company.

The Company has complied with the requirements of the Corporate Governance code in terms of SEBI (LODR) Regulations, 2015 as disclosed herein below.

**2. BOARD OF DIRECTORS**

The Board of Directors along with its committees provides focus and guidance to the Company's Management as well as directs and monitors the performance of the Company.

The Board presently comprises of Ten (10) Directors, having rich and vast experience with specialized skills in their respective fields, out of which Five (5) are Non-Executive Independent Directors. The Board comprises 50% of Independent Directors out of the total Directors.

All the Directors on the Board of the Company have made necessary declarations/ disclosures regarding their other Directorships along with Committee positions held by them in other Companies.

During the year under review four Board Meetings were held on 30.05.2016, 12.08.2016, 14.11.2016 and 14.02.2017. The maximum gap between two consecutive meetings did not exceed 120 days. The details of directors and the meetings held are as follows:

Sl. No.	Name of the Director	No. of Board Meetings attended	Attendance at the Last AGM	Membership as on 31 <sup>st</sup> March, 2017		
				Other Boards #	No. of Outside Committee positions held	
					Chairman	Member
1.	Ravi Vishnu	3	YES	1	NIL	1
2.	A Bhopal Reddy	3	YES	NIL	NIL	NIL
3.	D Vikram Reddy	NIL	NO	NIL	NIL	NIL
4.	R Radha Krishna Murthy	3	YES	1	1	NIL
5.	T Krishna Rao	1	YES	NIL	1	1

6.	Wg. Cdr. V L Nanda Kumar	4	YES	NIL	NIL	2
7.	V Sivarama Krishna Murthy	4	YES	NIL	NIL	NIL
8.	R Kasturi	4	YES	1	NIL	1
9.	P VenkataRao	1	YES	NIL	NIL	NIL
10.	Rama Rao K *	2	YES	1	NIL	1

\*Rama Rao K was appointed as an additional director in the Board Meeting held on 30<sup>th</sup> May, 2016 and whose appointment was regularized in the Annual General Meeting held on 29<sup>th</sup> September, 2016.

# Excluding Directorship in Foreign and Private Limited Companies.

\$ Only Membership of Audit and Investor Grievances Committees are considered.

## 1. COMMITTEES OF DIRECTORS

### A. AUDIT COMMITTEE

The Company constituted a Qualified and Independent Audit Committee comprising of three Non-Executive Independent Directors in accordance with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

The Committee also acts in terms of reference and directions of the Board from time to time.

The composition of the Audit Committee and the attendance of each Member of the Committee at the meetings were as follows:

Sl. No.	Name of the Director	Category	No. of meetings held during the tenure of member	No. of meetings attended
1	Wg. Cdr. V L Nanda Kumar	Chairman	4	4
2.	T Krishna Rao	Member	4	0
3.	K. Rama Rao*	Member	4	2
4.	Ravi Kasturi	Member	4	4

\* Appointed as an Additional Director with effect from 30.05.2016 and whose appointment got regularized in the Annual General Meeting held on 29.09.2016

The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company.

The Managing Director, Head of the Finance Department and Statutory Auditors are also invited to the meetings, as required, to brief the Committee Meetings. The Company Secretary acts as the Secretary of the Committee.

The Audit Committee meetings were held during the year under review on the following dates: 30.05.2016, 12.08.2016, 14.11.2016 and 14.02.2017. The gap between two audit Committee meetings was not more than four months.

At Board meeting held on 14.08.2017, Audit committee has been reconstituted as follows:

Mr. K Rama Rao	-	Chairman
Mr. P Venkata Rao	-	Member
Mrs. Kasturi Ravi	-	Member

## **B. NOMINATION & REMUNERATION COMMITTEE**

The Remuneration Committee comprises of Three (3) Non-Executive Independent Directors. The composition of the Remuneration Committee is as follows:

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Category</b>
1.	T Krishna Rao	Chairman
2.	Wg. Cdr. V L Nanda Kumar	Member
3.	Ravi Radhakrishna Murthy (w.e.f. 13.11.2015)	Member

The Remuneration Committee reviews the remuneration package payable to Executive Director(s) and Other Senior Executives in the top level management of the Company and other elements of their appointment and gives its recommendations to the Board and acts in terms of reference of the Board from time to time.

The details of remuneration and commission paid during the year to the Managing Director and Whole-time Director are as follows:

<b>Description of Amount</b>	<b>Mr. Ravi Vishnu Managing Director</b>	<b>A Bhopal Reddy Whole-time Director</b>
Basic Salary	19,20,000	19,20,000
House Rent Allowance	9,60,000	9,60,000
Medical Expenses	1,08,840	20,992
Other Allowances	2,500	2,500
Perquisites	10,620	10,620
<b>Total</b>	<b>30,01,960</b>	<b>29,14,112</b>

Apart from the above, they are also eligible for the Leave encashment, Leave Travel Concession, Gratuity and other benefits in terms of their appointment and rules of the Company.



Compensation paid to Non-Executive Directors and their shareholding is as follows:

<b>Name of the Director</b>	<b>Sitting fees paid Rs.</b>	<b>No. of shares held on 31.03.2017</b>
T Krishna Rao	0	NIL
Wg. Cdr. V L Nanda Kumar	4,000	NIL
Ravi Radha Krishna Murthy	NIL	5,41,400
D Vikram Reddy	NIL	7,40,500
V Sivarama Krishna Murthy	4,000	NIL
R Kasturi	4,000	2,85,800
P Venkata Rao	1,000	NIL
K Rama Rao*	2,000	NIL

\* Appointed as Additional Director with effect from 30.05.2016 and whose appointment got regularized in the Annual General Meeting held on 29.09.2016.

Other than the sitting fees to Non-Executive Directors, there was no material pecuniary relationship or transaction with the Company. The Company has not issued any stock options to its Directors/Employees.

At Board meeting held on 14.08.2017, Audit committee has been reconstituted as follows:

Mr P Venkata Rao	-	Chairman
Mr. K Rama Rao	-	Member
Mrs. Kasturi Ravi	-	Member

### **C. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The present composition of the Shareholders'/ Investors' Grievances Committee is as under:

<b>Name of the Director</b>	<b>Nature of Directorship</b>	<b>Membership</b>
R Radhakrishna Murthy	Non-Executive	Chairman
Ravi Vishnu	Executive	Member

This Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to share transfer, non-receipt of Annual Reports, dividend payments, issue of duplicate share certificate, transmission of shares and other miscellaneous complaints. In accordance with SEBI (LODR) Regulations, 2015, the Board has authorized the Compliance Officer to approve the share transfers/transmissions and comply with other formalities in relation thereto. All investors' complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement.

There were no pending share transfers and un-resolved shareholders' grievances pertaining to the Financial Year ended 31st March, 2017.

At Board meeting held on 14.08.2017, Audit committee has been reconstituted as follows:

Mr Siva Rama Krishna Murthy	-	Chairman
Mr. K Rama Rao	-	Member
Mrs. Kasturi Ravi	-	Member

#### D. GENERAL BODY MEETINGS

i) The Details of the last three Annual General Meetings are given below:

Financial Year ended	Date	Venue	Time	Special Resolution Passed
March 31st , 2016	29 <sup>th</sup> September, 2016	Jubilee Hills International Center, Jubilee Hills, Hyderabad	10.00 AM	<ol style="list-style-type: none"> <li>Approval of Cosyn Limited Employee Stock Options Plan 2016 and grant of Employee Stock Options to the employees of the Company.</li> <li>Grant of Employee Stock Options to the employees of the Subsidiary Company(ies) of the Company under CLESOP 2016.</li> </ol>
March 31 <sup>st</sup> , 2015	30 <sup>th</sup> September, 2015	Jubilee Hills International Center, Jubilee Hills, Hyderabad	10.00 AM	<ol style="list-style-type: none"> <li>Appt. of Mr. Ravi Vishnu as Managing Director for a period of 5 years w.e.f. 15<sup>th</sup> January, 2015 and remunerating him</li> <li>Borrowing in excess of paid up share capital and free reserves subject to ceiling of Rs. 20 Crores.</li> <li>Hypothecation, mortgaging, charge etc., of properties for loans up to Rs. 20 Crores.</li> </ol>

March 31 <sup>st</sup> , 2014	30 <sup>th</sup> September, 2014	Film Nagar Cultural Center, Dr. D Ramanaidu Building, Road No: 6, Film Nagar, Jubilee Hills, Hyderabad	10.00 AM	<ol style="list-style-type: none"> <li>1. Appt. of Mr. Bhopal Reddy as Whole – Time Director for a period of 5 years w.e.f. 7th August, 2014 and remunerating him</li> <li>2. Borrowing in excess of paid up share capital and free reserves subject to ceiling of Rs. 15 Crores.</li> <li>3. Hypothecation, mortgaging, charge etc., of properties for loans up to Rs. 15 Crores.</li> </ol>
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II) No Extra-Ordinary General Meeting was held during the last three years under review.

## 2. DISCLOSURES

### A. Disclosures on Materially Significant Related Party Transactions

There were no materially significant related party transactions compared to the business volume of the Company during the year conflicting with the interest of the Company.

### B. Details of Non-Compliance and Penalties

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by the Stock exchanges, SEBI and any statutory Authority relating to Capital markets.

C. As per the Internal Code of Conduct the employees have been given access to the Audit Committee.

### D. CEO/ CFO Certification

The Managing Director and Sr. Manager (Finance) (who is heading the finance functions) have certified to the Board in accordance with Part-B of Schedule – II read with Regulation 17(8) of the SEBI (LODR) Regulations, 2015 pertaining to CEO certification for the financial year ended 31st March, 2017.

### E. Compliance Certificate

Compliance certificate for Corporate Governance of the Company is annexed hereto and forms part of this report.

**F. Code of Conduct**

The Company has framed the Code of Conduct for Directors and Senior Management. The Code of Conduct is applicable to all Directors and Senior Management of the Company. All the members of the Board and Senior Management of the Company have affirmed compliance with their respective Codes of Conducts for the financial year ended 31st March, 2017. A declaration to this effect, duly signed by the Managing Director is annexed hereto and forms part of this Report.

**G. Details of Compliances with Mandatory Requirements and Adoption of the Non-Mandatory Requirements**

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015 and is in the process of implementation of Non-Mandatory requirements.

**H. Relationship inter-se among Director**

In accordance with the provisions of SEBI (LODR) Regulations, 2015, Managing Director, Mr. Ravi Vishnu and Smt. R Kasturi belong to promoter group and are related to each other.

**3. MEANS OF COMMUNICATION**

- A. Quarterly and half-yearly reports are published in two Newspapers- One in English and one in Telugu.
- B. The financial results are regularly submitted to the Stock Exchanges in accordance with the SEBI (LODR) Regulations, 2015 and simultaneously displayed on the Company's website [www.cosyn.in](http://www.cosyn.in). The Secretarial Department serves to inform the investors by providing key and timely information like details of Directors, Financial results, Shareholding pattern, etc.
- C. The Company is also displaying official news announcements on its website [www.cosyn.in](http://www.cosyn.in)
- D. Management Discussion and Analysis forms part of this Annual Report.

**4. GENERAL SHAREHOLDER'S INFORMATION****A. Annual General Meeting**

Date and Time	Friday, 29 <sup>th</sup> September 2017 – 10.00 AM
Venue	Jubilee Hills International Center, Jubilee Hills, Hyderabad
Last Date of Proxy forms submission	10.00 AM on 27.09.2017

**B. Financial Year: April 1st to March 31<sup>st</sup>**

**C. Book Closure:**23rd Sep., 2017 to 29th Sep., 2017 (Both days inclusive)

**D. Listing on Stock Exchanges:**

1. Bangalore Stock Exchange Limited, No.51, "Stock Exchange Towers", 1st Cross, J.C.Road, Bangalore - 560 027	The Company's shares were primarily listed on Bangalore Stock Exchange Limited, which was de-recognised vide its letter dated 30th December, 2014 intimating their de-recognition as Stock Exchange. vide SEBIs' "Exit Order" No.WTM/RKA/MRD/163/2014 issued on December 26, 2014
2. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001	The Company got Direct Listing Approval with Bombay Stock Exchange Limited with effect from 29 <sup>th</sup> January, 2015.

**E. Stock Code**

Name of the Stock Exchange	Security Code	Security ID
BSE Limited	538922	COSYN
Demat ISIN No. for NSDL & CDSL	INE029B01019	

The listing fee for the year 2016-2017 has been paid to the Stock Exchange.

**F. Market Price Data & Share Performance of the Company**

The monthly High, Low prices and trading volumes of the Company's Equity Shares during the last financial year 2016-2017 at The Bombay Stock Exchange Limited are given below:

Sl. No.	Month	Bombay Stock Exchange Limited		
		High (Rs.)	Low (Rs.)	No. of Shares traded
1	April 2016	50.75	36.60	3,97,355
2	May 2016	50.60	39.05	4,37,700
3	June 2016	59.90	41.70	7,41,681
4	July 2016	55.25	42.35	2,37,865
5	August 2016	58.00	40.35	4,88,847
6	September 2016	84.50	49.10	14,13,662
7	October 2016	158.25	88.05	21,10,265
8	November 2016	161.90	107.25	9,38,812
9	December 2016	222.40	138.00	17,25,961
10	January 2017	252.00	192.20	11,18,317
11	February 2017	216.00	142.55	7,64,312
12	March 2017	168.00	120.90	7,52,315

All Services relating to share transfer/transmissions and information may be addressed to:

### **G. Registrar and Share Transfer Agent**

XL Softech Systems Limited  
3, Sagar Society, Road No.2, Banjara Hills  
Hyderabad – 500 034, INDIA  
Tel: +91-40 – 23545913, 23545914  
Fax: +91-40 – 23553214  
E-mail: xlfield@gmail.com  
Website: [www.xlsofttech.com](http://www.xlsofttech.com)

The Company periodically audits the operations of share transfer agent.

### **H. Share Transfer System**

Share Transfers in physical form shall be lodged with the Registrar at the said address. The share transfers are generally processed by our Registrars within 15 days from the date of receipt provided the documents are complete in all respects.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 filed with the Stock Exchanges, certificates, on half-yearly basis, have been given by a Practicing Company Secretary for due compliance of shares transfer formalities

### **I. Shareholding Pattern as on 31st March, 2017**

<b>Category</b>	<b>No. of Shares held</b>	<b>% of Capital</b>
Indian Promoters	43,48,245	57.98
Banks, Financial Institutions, Insurance Companies (Central/State Govt Institutions/ Non-Govt. institution )	Nil	-
Indian Public	27,95,572	37.27
Private Corporate Bodies	1,83,389	2.45
NRI's / OCB's / FCB's others	1,59,051	2.12
Mutual Funds	Nil	-
HUF's	Nil	-
Clearing Members	13,743	0.18
<b>Total</b>	<b>75,00,000</b>	<b>100.00</b>

### **J. Dematerialization of shares and liquidity**

The Company has made necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) limited (CDSL) for dematerialization facility. As on 31st March, 2017, 96.09% of the Company's Equity shares are in dematerialized form. The ISIN NO. / Code for the Company's Equity

Shares is INE029B01019. Shareholders can open an account with any of the depository participants registered with any of these depositories.

**K. Address for Correspondence**

COSYN LIMITED  
6-1-85/10, Opp. Telephone Bhavan,  
Saifabad, Hyderabad,  
Tel: +91-40- 23230305, 23230306  
Fax: +91-40- 23230313

**for and on behalf of the Board**

**Sd/-**  
**Ravi Vishnu**  
Managing Director

Place: Hyderabad  
Date: 14.08.2017

**Independent Auditor's Report**

To  
The Members of  
**COSYN LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **COSYN LIMITED** ("**the Company**") (formerly known as *CSS TECHNERGY LIMITED*) which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

**Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under Section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor



considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its Profit and its Cash Flow for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the Directors as on March 31, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 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 B**".

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31st March 2017 on its financial position in its financial statements as referred to in note 27 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts which require to be transferred to the Investor Education and Protection Fund by the company during the year ended 31<sup>st</sup> March, 2017.
  - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note No.31 to the financial statements.

**For RAMBABU & Co.,**  
Chartered Accountants  
FRN: 002976S

Sd/-  
**GVL Prasad**  
Partner  
M.No.026548

Place: Hyderabad  
Date: 30-05-2017

**Annexure - A**

**Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:**

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii) In respect of Inventories:
  - a) As explained to us the inventories have been physically verified during the year by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and nature of its business.
  - c) In our opinion and according to the information and explanations given to us the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

- vii) a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable except Service Tax of Rs.2,13,22,120/-.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the company for the year ended 31<sup>st</sup> March, 2017.
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not issued any debentures.
- ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised monies by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

- xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For RAMBABU & Co.,**  
Chartered Accountants  
FRN: 002976S

Sd/-  
**GVL Prasad**  
Partner  
M.No.026548.

Place: Hyderabad  
Date: 30-05-2017

**Annexure - B****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 COSYN LIMITED (“the Company”) (formerly known as CSS TECHNERGY LIMITED) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management responsible for establishing and maintaining internal financial controls base 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. 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 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 judgement, 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 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For RAMBABU & Co.,**  
Chartered Accountants  
FRN: 002976S

**Sd/-**  
**GVL Prasad**  
Partner  
M.No.026548.

Place: Hyderabad  
Date: 30.05.2017

**Balance Sheet as at 31st March, 2017**

(Amount in ₹)

Particulars		Note No.	As at 31 March, 2017	As at 31 March, 2016
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	3	7,50,00,000	7,50,00,000
	(b) Reserves and Surplus	4	15,07,30,649	8,14,76,521
			22,57,30,649	15,64,76,521
<b>2</b>	<b>Non-Current Liabilities</b>			
	(a) Long-Term Borrowings	5	35,60,765	18,69,169
	(b) Deferred Tax Liabilities (Net)	6	35,27,660	43,72,471
			70,88,425	62,41,640
<b>3</b>	<b>Current liabilities</b>			
	(a) Short Term Borrowings	7	-	1,89,55,769
	(b) Trade Payables	8	5,57,95,374	4,71,88,787
	(c) Other Current Liabilities	9	6,50,57,545	5,03,56,104
			12,08,52,919	11,65,00,660
<b>TOTAL</b>			<b>35,36,71,993</b>	<b>27,92,18,821</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	10	2,37,64,400	1,98,09,101
	(ii) Intangible Assets		1,05,70,308	1,41,70,682
			3,43,34,708	3,39,79,783
	(b) Investments	11	1,84,23,547	66,920
	(c) Long-Term Loans and Advances	12	3,26,47,307	3,64,38,919
	(d) Other Non-Current Assets	13	-	32,22,530
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	14	2,90,87,105	5,30,61,934
	(b) Trade Receivables	15	17,97,45,894	12,94,71,724
	(c) Cash and Bank Balances	16	3,03,18,697	60,62,939
	(d) Short-Term Loans and Advances	17	2,91,14,734	1,69,14,072
			26,82,66,431	20,55,10,669
<b>TOTAL</b>			<b>35,36,71,993</b>	<b>27,92,18,821</b>

See accompanying notes forming part of the financial statements

In terms of our report attached.  
For RAMBABU & Co.,

Chartered Accountants  
Firm Reg No: 002976S

For and on behalf of the Board

Sd/-  
G V L Prasad  
Partner  
Membership.No:026548

Sd/-  
Ravi Vishnu  
Chairman & Managing Director

Sd/  
A. Bhopal Reddy  
Whole Time Director

Sd/-  
K. Raghupathi Rao  
CFO

Sd/-  
A.Aravind  
Company Secretary

Place : Hyderabad  
Date : 30.05.2017



**Statement of Profit & Loss Account for the year ended 31st March, 2017**

(Amount in ₹)

Particulars		Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>1</b>	<b>CONTINUING OPERATIONS</b>			
	Revenue from Operations	18	31,46,95,785	24,35,31,462
<b>2</b>	Other Income	19	24,09,183	21,37,072
	<b>Total Revenue</b>		<b>31,71,04,968</b>	<b>24,56,68,534</b>
<b>3</b>	<b>Expenses</b>			
	(a) Cost of Materials Consumed	20	92,79,340	86,28,520
	(b) Operating Expenses	21	5,11,32,253	4,58,09,368
	(c) Changes in Inventories of work-in-progress	22	2,42,85,653	1,54,72,261
	(d) Employee Benefits Expense	23	12,12,09,668	11,16,67,684
	(e) Finance Costs	24	19,00,147	34,79,100
	(f) Depreciation and Amortisation Expense	10	84,60,289	75,16,574
	(g) Other Expenses	25	3,12,87,369	1,67,19,636
	<b>Total Expenses</b>		<b>24,75,54,719</b>	<b>20,92,93,142</b>
<b>4</b>	<b>Profit Before Tax</b>		6,95,50,250	3,63,75,392
<b>5</b>	<b>Tax Expense:</b>			
	(a) Current tax expense for current year		1,41,80,496	57,00,000
	(b) Deferred tax (Asset) / Liability		(8,44,811)	(7,62,822)
	(c) MAT credit entitlement		(1,30,39,563)	57,00,000
<b>6</b>	<b>Profit after Tax (4 - 5)</b>		<b>6,92,54,128</b>	<b>3,71,38,214</b>
<b>7</b>	<b>Earnings Per Share (equity share of Rs.10/-each)</b>	26		
	Basic		9.23	4.95
	Diluted		9.23	4.95
<b>See accompanying notes forming part of the financial statements</b>				

In terms of our report attached.

For RAMBABU & Co.,  
Chartered Accountants  
Firm Reg No: 002976S

For and on behalf of the Board

Sd/-  
G V L Prasad  
Partner  
Membership.No:026548

Sd/-  
Ravi Vishnu  
Chairman & Managing Director

Sd/  
A. Bhopal Reddy  
Whole Time Director

Sd/-  
K. Raghupathi Rao  
CFO

Sd/-  
A.Aravind  
Company Secretary

Place : Hyderabad  
Date : 30.05.2017

**Cash Flow Statement for the year ended 31st March 2017**

(Amount in ₹)

SI No	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>A</b>	<b>Cash Flows from operating activities :</b>		
	Net Profit Before Tax	<b>6,95,50,250</b>	<b>3,63,75,391</b>
	Add : Depreciation	84,60,289	75,16,574
	Add : Interest	19,00,147	34,79,100
	Less : Interest & other income received	(24,09,183)	(21,37,072)
	<b>Operating Profit before working capital changes</b>	<b>7,75,01,503</b>	<b>4,52,33,993</b>
	Adjustment for:		
	Trade Receivables	(5,02,74,170)	(5,79,03,444)
	Inventories	2,39,74,829	1,55,66,829
	Investment	(1,83,56,627)	(66,920)
	Loans and Advances & other assets	(51,86,521)	53,96,595
	Trade Payables and Other Payables	2,29,79,682	70,51,009
		<b>(2,68,62,808)</b>	<b>(2,99,55,931)</b>
	<b>Cash Generated From Operations</b>	<b>5,06,38,695</b>	<b>1,52,78,062</b>
	Less : Income Tax Paid	11,40,933	-
	<b>Net cash from operating activities " A "</b>	<b>4,94,97,762</b>	<b>1,52,78,062</b>
<b>B</b>	<b>Cash Flows from Investing activities :</b>		
	Purchase of Fixed Assets	(84,86,867)	(1,38,09,952)
	Interest & other income received	24,09,183	21,37,072
	Margin Money Deposits/(Realisation)	(2,07,39,269)	(4,12,408)
	<b>Net cash utilised in investing activities " B "</b>	<b>(2,68,16,953)</b>	<b>(1,20,85,288)</b>
<b>C</b>	<b>Cash Flows from Financing Activities :</b>		
	Proceeds from long term borrowings - ( Net of payments )	16,91,596	(1,46,489)
	Proceeds from Short term borrowings - ( Net of payments )	(1,89,55,769)	(26,47,501)
	Interest	(19,00,147)	(34,79,100)
	<b>Net Cash used in Financing Activities " C "</b>	<b>(1,91,64,320)</b>	<b>(62,73,090)</b>
	<b>Net ( Decrease ) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>35,16,489</b>	<b>(30,80,316)</b>
	<b>Cash and Cash Equivalents at the beginning</b>	<b>1,56,011</b>	<b>32,36,327</b>
	<b>Cash and Cash Equivalents at the end</b>	<b>36,72,500</b>	<b>1,56,011</b>

As per our report of even date

For **RAMBABU & Co.**,  
Chartered Accountants  
Firm Reg No: 002976S

For and on behalf of the Board

Sd/-  
**G V L Prasad**  
Partner  
Membership.No:026548

Sd/-  
**Ravi Vishnu**  
Chairman & Managing Director

Sd/  
**A. Bhopal Reddy**  
Whole Time Director

Sd/-  
**K. Raghupathi Rao**  
CFO

Sd/-  
**A.Aravind**  
Company Secretary

Place : Hyderabad  
Date : 30.05.2017

**Notes forming part of the financial statements****1. Corporate information**

COSYN LIMITED is incorporated in April, 1994 for carrying out the activities of offering a full range of software outsourcing services from end to end development of new software and web solutions, Enterprise Application Services, re-engineering and enhancement of legacy applications, application integration and maintenance, BPO / ITES services for Utilities, E-Governance, BFSI, Retail and DMS. The Company is carrying its activities from its registered office situated at # 6-1-85/10, Opp Telephone Bhavan, Saifabad, Hyderabad – 500 004.

**2. Significant Accounting Policies****2.1 Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the applicable accounting standards notified under the *Companies (Accounting Standards) Rules, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

**2.2 Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**2.3 Cash and cash equivalents**

Cash comprises cash on hand and fixed deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amount of cash and which are subject to insignificant risk of changes in value.

**2.4 Cash flow statement**

Cash Flows are reported using the indirect method, where by profit /(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.5 Tangible fixed assets and depreciation**

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided using Straight Line Method at the rates estimated by the Management which coincides with the rates prescribed under Schedule XIV of the Companies Act, 1956.

**2.6 Impairment**

The carrying amounts of assets are reviewed at each balance sheet date to see if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

**2.7 Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

## **2.8 Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

## **2.9 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

### **(i) Revenue from sale of goods**

Sales are recognized net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

### **(ii) Revenue from sale of Services**

Revenue from software related services are accounted for on the basis of services rendered as per terms of contract.

Revenue from BPO services are based on the performance of specific criteria at contracted rates.

### **(iii) Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

### **(iv) Dividends**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

## **2.10 Inventory Valuation**

- a) Stocks of consumables are valued at cost.
- b) Project work in progress is valued with reference to the actual cost incurred for the work performed up to the reporting date bear estimated total project cost of each project.

## **2.11 Foreign currency translation**

### **(i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### **(ii) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

### **(iii) Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

## **2.12 Retirement and other employee benefits**

### **(i) Defined contribution plans**

Contributions in respect of Employees Provident Fund and Family Pension Fund are charged to the Profit and Loss account as incurred.

### **(ii) Defined benefit plans**

The Company also provides for other employee benefits in the form of gratuity. The Company's Contributions to Gratuity scheme is provided for based on Valuations, as at the balance sheet date made by independent actuaries. The gratuity fund is managed by the Life Insurance Corporation of India (LIC).

**(iii) Long-term employee benefits**

The Company has a policy to encash all unavailed leaves over and above 60 days after every calendar year compulsorily. Also, the employee is entitled to encash leaves as and when required by them.

**(iv) Short-term employee benefits**

The undiscounted amount of short-term employee benefits i.e. performance incentive expected to be paid in exchange for the services rendered by employees are recognized during the year when employees render the service.

**2.13 Income tax**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**2.14 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**2.15 Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**Notes forming part of the Financial Statements**
**3. Share Capital**

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity Shares of Rs 10/- each with voting rights	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
(b) Issued, Subscribed and Fully Paid-up: Equity Shares of Rs 10/- each with voting rights	75,00,000	7,50,00,000	75,00,000	7,50,00,000
<b>TOTAL</b>		<b>7,50,00,000</b>		<b>7,50,00,000</b>

**(i) Reconciliation of Shares**

Particulars	Opening Balance	Conversion of Share Warrants	Closing Balance
Equity shares with voting rights Year ended 31 March, 2017			
- Number of shares	75,00,000	-	75,00,000
- Amount (Rs.)	7,50,00,000	-	7,50,00,000
Year ended 31 March, 2016			
- Number of shares	75,00,000	-	75,00,000
- Amount (Rs.)	7,50,00,000	-	7,50,00,000

(ii) All Equity Shares issued by the company carry equal voting and participatory rights

(iii) The details of share holders holding more than 5% shares :

Name of the share holder	As at 31 March, 2017		As at 31 March, 2016	
	No of Shares	% held	No of Shares	% held
Sri. Ravi Vishnu	8,50,539	11.34	8,50,539	11.34
Sri. D. Vikram Reddy	7,40,500	9.87	7,40,500	9.87
Sri. R. Radha Krishna Murthy	5,41,100	7.21	5,41,100	7.21
Sri. A. Bhopal Reddy	4,77,000	6.36	4,81,400	6.42

**4. Reserves and Surplus**

(Amount in ₹)

Particulars	As at 31 March, 2017		As at 31 March, 2016	
(a) Share Premium				
Opening balance	7,34,64,090		7,34,64,090	
<b>Add:</b> Additions during the year	-		-	
Closing balance		7,34,64,090		7,34,64,090
(b) Capital Reserve		19,25,000		19,25,000
(c) Surplus / (Deficit) in Statement of Profit and Loss				
Balance at the beginning of the year	60,87,431		(3,10,50,782)	
<b>Add:</b> Profit for the year	6,92,54,128		3,71,38,213	
Closing Balance		7,53,41,559		60,87,431
<b>TOTAL</b>		<b>15,07,30,649</b>		<b>8,14,76,521</b>



**Notes forming part of the Financial Statements**
**5. Long Term Borrowings**
**(Amount in ₹)**

Particulars	As at 31 March, 2017	As at 31 March, 2016
i) From Banks - Secured		
Term Loan from State Bank of India	-	45,331
ii) From Non Banking Financial Institutions		
Bajaj Finance Ltd (Ref Note 5.1)	4,97,463	18,23,838
Bajaj Finance Ltd (Ref Note 5.2)	4,62,549	-
Magma Fincorp Ltd (Ref Note 5.3)	7,18,904	-
Tata Capital Financial Services Ltd (Ref Note 5.4)	18,81,849	-
<b>Total</b>	<b>35,60,765</b>	<b>18,69,169</b>

5.1. During the financial year 2015-16 Bajaj Finance Limited has sanctioned Unsecured Loan for Rs. 35,70,000/-. The said loan is repayable in 36 monthly equal installments of Rs 1,29,064/- each. The said loans are secured by way of post dated cheques issued by the Company.

5.2. During the financial year 2016-17 Bajaj Finance Limited has sanctioned Unsecured Loan for Rs. 10,12,000/-. The said loan is repayable in 36 monthly equal installments of Rs 37,096/- each. The said loans are secured by way of post dated cheques issued by the Company.

5.3. During the financial year 2016-17 Magma Fincorp Ltd has sanctioned Unsecured Loan for Rs. 30,00,000/-. The said loan is repayable in 24 monthly equal installments of Rs 1,50,498/- each. The said loans are secured by way of post dated cheques issued by the Company.

5.4. During the financial year 2016-17 Tata Capital Financial Services Ltd Ltd has sanctioned Unsecured Loan for Rs. 35,00,000/-. The said loan is repayable in 36 monthly equal installments of Rs 1,27,413/- each. The said loans are secured by way of post dated cheques issued by the Company.

5.5 Current maturities of long term borrowings have been disclosed under the head Other Current Liabilities separately.

**6. Deferred Tax Liability**
**(Amount in ₹)**

Particulars	As at 31 March, 2017	As at 31 March, 2016
Opening Balance	43,72,471	51,35,293
Add: On account of Deferred Revenue Expenditure	-	(10,95,339)
Add: On account of difference of Depreciation	(8,44,811)	18,58,161
<b>Net Deferred Tax Liability</b>	<b>35,27,660</b>	<b>43,72,471</b>

**7. Short Term Borrowings**
**(Amount in ₹)**

Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>Secured: From Banks</b>		
Cash Credit - State Bank of India (Refer Note 7.1)	-	1,89,55,769
<b>Total</b>	<b>-</b>	<b>1,89,55,769</b>

7.1 During the financial year the total outstanding amount of Cash Credit was repaid

**8. Trade Payables**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Creditors for Services	5,28,77,604	4,46,53,187
Creditors for Consumables	21,71,206	23,58,631
Creditors for Expenses	7,46,563	1,76,969
<b>Total</b>	<b>5,57,95,374</b>	<b>4,71,88,787</b>

**9. Other Current Liabilities**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Current Maturities of Long-Term Debt - From Banks		
i) From Banks - Secured		
Term Loan from State Bank of India	-	19,68,125
ii) From Non Banking Financial Institutions		
Bajaj Finance Ltd (Ref Note 5.1)	13,26,375	11,09,364
Bajaj Finance Ltd (Ref Note 5.2)	3,23,061	-
Magma Fincorp Ltd (Ref Note 5.3)	15,16,729	-
Tata Capital Financial Services Ltd (Ref Note 5.4)	10,74,752	-
(b) Other payables		
(i) Statutory remittances		
Service tax Payable	3,74,85,061	2,50,38,783
Tds Payable	17,69,434	27,50,710
Sales Tax Payable	-	1,62,457
ESI Payable	51,77,226	50,57,718
PF Payable	86,41,891	78,17,514
Professional Tax Payable	40,660	3,840
(ii) Payables on purchase of fixed assets	7,67,240	4,38,895
(iii) Advance from Customers	56,66,894	42,37,529
(iv) Other Liabilities	12,68,222	17,71,169
<b>Total</b>	<b>6,50,57,545</b>	<b>5,03,56,104</b>

PARTICULARS		GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
		Balance As At 01.04.2016	Additions	Disposals	Balance As At 31.03.2017	Balance As At 01.04.2016	Disposals	For the Year	Balance As At 31.03.2017	Balance As At 31.03.2017	Balance As At 31.03.2016
<b>(i) TANGIBLE ASSETS</b>											
Land	13,31,295	-	-	-	13,31,295	-	-	-	-	13,31,295	13,31,295
Computer / Hardware	10,06,85,824	46,27,430	-	10,53,13,254	9,42,95,660	-	14,26,507	9,57,22,167	95,91,087	63,90,164	
Furniture and fixtures	1,68,22,574	5,27,783	-	1,73,50,357	1,35,26,598	-	5,69,631	1,40,96,229	32,54,128	32,95,976	
Electrical Fittings	1,93,90,322	45,188	-	1,94,35,510	1,33,00,274	-	16,21,250	1,49,21,524	45,13,986	60,90,048	
Vehicles	29,78,350	-	-	29,78,350	25,60,748	-	1,99,499	27,60,247	2,18,103	4,17,602	
Office Equipment	1,03,89,036	33,12,957	-	1,37,01,993	81,05,020	-	7,41,172	88,46,192	48,55,801	22,84,016	
Library Books	8,65,901	-	-	8,65,901	8,65,901	-	-	8,65,901	-	-	
<b>Total</b>	<b>15,24,63,302</b>	<b>85,13,358</b>	<b>-</b>	<b>16,09,76,660</b>	<b>13,26,54,201</b>	<b>-</b>	<b>45,58,059</b>	<b>13,72,12,260</b>	<b>2,37,64,400</b>	<b>1,98,09,101</b>	
Previous Year	14,87,64,829	36,98,473	-	15,24,63,302	12,58,78,269	-	67,75,932	13,26,54,201	1,98,09,101	-	
<b>(ii) INTANGIBLE ASSETS</b>											
Computer Software	7,92,19,070	3,01,854	-	7,95,20,924	6,50,48,388	-	39,02,228	6,89,50,616	1,05,70,308	1,41,70,682	
<b>Total</b>	<b>7,92,19,070</b>	<b>3,01,854</b>	<b>-</b>	<b>7,95,20,924</b>	<b>6,50,48,388</b>	<b>-</b>	<b>39,02,228</b>	<b>6,89,50,616</b>	<b>1,05,70,308</b>	<b>1,41,70,682</b>	
Previous Year	6,92,33,370	99,85,700	-	7,92,19,070	6,43,07,746	-	7,40,642	6,50,48,388	1,41,70,682	-	
<b>Total</b>	<b>23,16,82,372</b>	<b>88,15,212</b>	<b>-</b>	<b>24,04,97,584</b>	<b>19,77,02,589</b>	<b>-</b>	<b>84,60,287</b>	<b>20,61,62,876</b>	<b>3,43,34,708</b>	<b>3,39,79,783</b>	
Previous Year Total	21,79,98,199	1,36,84,173	-	23,16,82,372	19,01,86,015	-	75,16,574	19,77,02,589	3,39,79,783	-	

(Amount in ₹)

**11. Investments**
**(Amount in ₹)**

Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>Investment in Subsidiary Company (at cost)</b>		
Cosyn LLC (Ref.Note 11.1)	36,71,755	66,920
Well to Desk Inc (Ref.Note 11.2)	1,36,35,972	-
<b>Other Investments</b>		
Geo Nimbus Corporation (Ref.Note 11.3)	11,15,820	-
<b>Total</b>	<b>1,84,23,547</b>	<b>66,920</b>

11.1 During the year, Company made investment of Rs 36,04,835/- towards 54,613 Equity Shares of Cosyn LLC, Texas, USA Wholly Owned Subsidiary

11.2 During the year, Company made investment of Rs. 1,36,35,972/- towards 2,04,600 Equity Shares of WelltoDesk Inc, Texas, USA. Out of the Investments made an amount of Rs. 14,70,532/- paid by transfer of funds and balance through by way of Export of Software to the Subsidiary Company.

11.3 During the year, Company made investment of Rs. 11,15,820/- towards 16,500 Equity Shares of GeoNimbus Corporation, Texas, USA. Out of the Investments made an amount of Rs. 1,03,620/- paid by transfer of funds and balance through by way of Export of Software.

**12. Long Term Loans and Advances**
**(Amount in ₹)**

Particulars	As at 31 March, 2017	As at 31 March, 2016
( Unsecured, considered good, recoverable in cash or in kind for value to be received )		
(a) Capital advances		
Advance for Capital goods	24,000	34,776
(b) Deposits		
Deposits - APCPDCL	42,426	42,426
Deposits - Electricity	5,32,255	4,89,455
Retension Money - PSPCL	1,15,58,061	77,24,716
Deposits - Others	2,45,069	2,50,432
Deposits - Performance Guarantees	1,27,26,695	1,07,26,695
Deposits - Rent	11,06,697	11,06,697
(c) Advance to subsidiary (Refer.Note 12.1)	25,000	18,79,882
(d) Prepaid Taxes (Net of Provision)	63,87,104	1,41,83,840
<b>Total</b>	<b>3,26,47,307</b>	<b>3,64,38,919</b>

**13. Other Non-Current Assets**
**(Amount in ₹)**

Particulars	As at 31 March, 2017	As at 31 March, 2016
Deferred Revenue Expenditure (Ref. Note 13.1)	32,22,530	64,45,066
Less: Written off during the year	32,22,530	32,22,536
<b>Total</b>	<b>-</b>	<b>32,22,530</b>

13.1 During the Financial Year 2013-14 Company incurred an amount of Rs.1,28,90,136/- for development of software in order to facilitate and execute online billing to the consumers of Punjab State Power Corporation Limited (PSPCL). The said project with PSPCL is spread over a period of 4 years and the software developed can be used for a period of 4 years. The expenditure of Rs.1,28,90,136/- incurred for development of software is deferred and will be written off over a period of 4 years from the Financial year 2013-14. Accordingly this being the Last year, Company written off balance amount of Rs.32,22,530/- being 1/4th of the total deferred revenue expenditure.

**14. Inventories**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(As valued and Certified by Management)		
(a) Consumables	4,43,669	1,32,845
(b) Work-in-progress	2,86,43,436	5,29,29,089
<b>Total</b>	<b>2,90,87,105</b>	<b>5,30,61,934</b>

**15. Trade Receivables**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	4,01,09,881	1,14,58,699
Doubtful	75,68,012	-
	4,76,77,893	1,14,58,699
Less: Bad debts written off	75,68,012	-
	4,01,09,881	1,14,58,699
Other Trade Receivables		
Unsecured, considered good	13,96,36,013	11,80,13,025
<b>Total</b>	<b>17,97,45,894</b>	<b>12,94,71,724</b>

**16. Cash and Bank Balances**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>(a) Cash and cash equivalents</b>		
(i) Cash on hand	4,998	35,825
(ii) Balances with banks		
(a) Current accounts	34,79,682	1,20,186
(b) Cash Credit Account	1,87,820	-
<b>Total</b>	<b>36,72,500</b>	<b>1,56,011</b>
<b>(b) Other Bank Balances</b>		
(i) Margin Money for Bank Guarantees	2,66,46,197	59,06,928
<b>Total</b>	<b>2,66,46,197</b>	<b>59,06,928</b>
<b>Total</b>	<b>3,03,18,697</b>	<b>60,62,939</b>

16.1 (a) Out of the above Cash and Bank balances, Cash and cash equivalents that meet the definition of cash flow statement is Rs 36,72,500/- (Pre vious year Rs 1,56,011/-).

**17. Short-Term Loans and Advances**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>(Unsecured, considered good)</b>		
(a) Loans and Advances	23,10,759	14,46,737
(b) Prepaid Expenses	4,20,955	4,87,823
(c) Advance for services and other expenses	76,43,457	92,79,512
(d) Mat Credit	1,87,39,563	57,00,000
<b>Total</b>	<b>2,91,14,734</b>	<b>1,69,14,072</b>

**Notes forming part of the Financial Statements**
**18 Revenue from Operations**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Sale of Services		
- Domestic	34,47,06,581	27,70,51,971
- Exports	1,50,52,460	-
	<b>35,97,59,041</b>	<b>27,70,51,971</b>
Less: Service Tax	4,50,63,256	3,34,82,176
Less: Sales Tax	-	38,333
<b>Total</b>	<b>31,46,95,785</b>	<b>24,35,31,462</b>

**19 Other Income**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Interest Income	20,32,983	4,28,677
(b) Interest on Income Tax Refund	3,76,200	17,08,395
<b>Total</b>	<b>24,09,183</b>	<b>21,37,072</b>

**20 Cost of Materials Consumed**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Opening stock	1,32,845	2,27,413
Add: Purchases	95,90,164	85,33,952
<b>Total</b>	<b>97,23,009</b>	<b>87,61,365</b>
Less: Closing stock	4,43,669	1,32,845
<b>Total</b>	<b>92,79,340</b>	<b>86,28,520</b>

**21 Operating Expenses**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Sub Contracting Expenses	4,84,38,126	4,34,12,441
Repairs to Plant & Machinery	17,09,641	13,24,756
Power & Fuel	4,57,193	6,86,068
Frighht	5,27,293	3,86,103
<b>Total</b>	<b>5,11,32,253</b>	<b>4,58,09,368</b>

**22. Change in Inventory of Work-in-progress**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Inventories at the end of the year:		
Work-in-progress	2,86,43,436	5,29,29,089
	<b>2,86,43,436</b>	<b>5,29,29,089</b>
Inventories at the beginning of the year:		
Work-in-progress	5,29,29,089	6,84,01,350
	<b>5,29,29,089</b>	<b>6,84,01,350</b>
<b>Net (Increase) / Decrease</b>	<b>2,42,85,653</b>	<b>1,54,72,261</b>

**23 Employee Benefits Expense**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Salaries and Wages	10,76,96,461	9,94,41,085
Contributions to Provident Fund & other funds	1,30,17,987	1,16,86,974
Staff Welfare expenses	4,95,220	5,39,625
<b>Total</b>	<b>12,12,09,668</b>	<b>11,16,67,684</b>

**24 Finance Cost**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>Interest expense on:</b>		
Interest on TDS	1,53,030	2,09,553
Interest on Bajaj Finance and other NBFC's	12,55,331	4,00,658
Interest on Working Capital Loans	4,91,786	28,68,889
<b>Total</b>	<b>19,00,147</b>	<b>34,79,100</b>

**25 Other Expenses**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Rent	31,21,260	30,97,062
Repairs and Maintenance	13,85,187	15,30,874
Insurance	2,35,499	3,04,118
Rates and Taxes	3,41,724	1,09,673
Communication Expenses	17,85,993	15,72,522
Travelling and Conveyance	32,79,153	10,24,953
Business promotion Expenses	26,42,096	3,19,737
Legal and professional Expenses	48,25,331	32,14,124
Payment to Auditors (Refer Note: 25.1)	4,00,000	4,00,000
Bad Debts written off	75,68,012	-
Deferred Revenue Expenditure written off (Refer Note.13.1)	32,22,530	32,22,536
Miscellaneous expenses	15,40,790	7,44,468
Bank Charges	9,30,201	10,24,447
Prior period items	9,594	1,55,121
<b>Total</b>	<b>3,12,87,369</b>	<b>1,67,19,636</b>

**25.1. Payment to Auditors comprises**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Statutory Audit fee	2,50,000	2,50,000
Taxation Audit Fee	1,50,000	1,50,000
<b>Total</b>	<b>4,00,000</b>	<b>4,00,000</b>

**26. Earnings Per Share**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>Basic</b>		
<b>Total operations</b>		
Net profit for the year attributable to the equity shareholders	6,92,54,128	3,71,38,214
Weighted average Number of equity shares	75,00,000	75,00,000
Par value per share	<b>10.00</b>	<b>10.00</b>
Earnings per share - Basic	<b>9.23</b>	<b>4.95</b>
<b>Diluted</b>		
The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.		
<b>Total Operations</b>		
Net profit for the year attributable to the equity shareholders	6,92,54,128	3,71,38,214
Weighted average number of equity shares for Basic EPS	75,00,000	75,00,000
Weighted average number of equity shares - for diluted EPS	75,00,000	75,00,000
Par value per share	<b>10.00</b>	<b>10.00</b>
Earnings per share - Diluted	<b>9.23</b>	<b>4.95</b>

**NOTES TO THE FINANCIAL STATEMENTS****27. Contingent Liabilities not acknowledged as debt:**

	<b>2016-17</b>	<b>2015-16</b>
	<b>Rs.</b>	<b>Rs.</b>
a) Bank Guarantees	2,49,13,404	2,85,93,404

**28. Related Party Transactions:**

A. Related Parties and their Relationship  
(As identified and certified by the Management)

- I. Associate Company : RRK ENTERPRISES PRIVATE LIMITED  
 II. Subsidiary Company : A) COSYN LLC, TEXAS, USA  
   : B) WELLTODESK INC, TEXAS, USA.  
 III. Key Managerial Personnel (KMP) :

Ravi Vishnu : Chairman & Managing Director

Summary of the Transactions with the above Related Parties are as follows:

Nature of Transactions	Subsidiary / Associate Companies		KMP and Relatives of KMP	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Remuneration & Perquisites	--	--	30.01,960/-	29,52,329/-
Loans & Advance given(Subsidiary)	25,000/-	18,79,882/-		--
Loans and Advances taken/(repaid)	--	(18,50,000)	--	--
Balance outstanding	--	--	--	--
Receivable/(Payable) as on Balance Sheet date.			--	--
Investment in Subsidiary	1.84,23,547/-	66,920/-		---
Sales (Subsidiary)	1,31,77,440/-	---		

**29. Segment Details**

The Company is engaged in providing Information Technology Services which in the context of Accounting Standard – 17 issued by ICAI are considered to constitute one single segment

**30. Dues to Micro, Small and Medium Enterprises:**

The Company is seeking confirmation from its suppliers whether they fall under the category of micro, small and medium enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Based on confirmations received till date, the company believes that it does not have any outstanding dues towards Micro Small and Medium Enterprises. Further the company has not paid/accrued any interest under this MSMED Act.



**31. Details of Specified Bank Notes (SBN) held and transacted during the period 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016.**

<b>S.No.</b>	<b>Particulars</b>	<b>Specified Bank Notes</b>	<b>Other Denomination Notes</b>	<b>Total (Rs)</b>
1	Closing Cash Balance as on 08th November 2016	11,500	4,377	15,877
2	Add : Permitted Receipts	-	-	-
3	Less : Permitted Payments	58,000	15,666	73,666
4	Less : Cash Deposits /Exchange in Banks	11,500	-	11,500
5	Add : Cash Withdrawals	62,000	12,600	74,600
6	Closing Cash Balance as on 30th December 2016	4,000	1,311	<b>5,311</b>

32. Confirmations are not received in respect of the amounts relating to trade receivables, trade payables, loan & advances..

33. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Figures rounded off to the nearest rupee.

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Note 1 to 33 form part of the Balance Sheet and have been authenticated.

**In Terms of our report attached**

**For and on behalf of the Board**

**For RAMBABU & Co.,  
Chartered Accountants  
Firm Reg. No. 002976S**

**Sd/-  
Ravi Vishnu  
Chairman & Managing Director**

**Sd/-  
A. Bhopal Reddy  
Whole Time Director**

**Sd/-  
GVL Prasad  
Partner  
Membership No.026548**

**Sd/-  
K. Raghupathi Rao  
CFO**

**Sd/-  
A. Aravind  
Company Secretary**

Place: Hyderabad  
Date: 30.05.2017

## **Independent Auditor's Report**

To  
The Members of  
COSYN LIMITED

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **COSYN LIMITED ("the Company")** (formerly known as *CSS TECHNERGY LIMITED*) and its Subsidiary Company **COSYN LLC**, which is Audited by other Statutory Auditors (collectively referred to as "the Group") which comprise the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (here in referred as "the consolidated financial statements")

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

### **Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under Section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its consolidated Profit and its consolidated Cash Flow for the year ended on that date.

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

1. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the Directors of the Company and its associates as on March 31, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - h. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".

- i. 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 and in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at 31st March 2017 on its consolidated financial position in its financial statements as referred to in note 27 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund for the year ending 31<sup>st</sup> March, 2017.

**For RAMBABU & Co.,**  
Chartered Accountants  
FRN: 002976S

Sd/-  
**GVL Prasad**  
Partner  
M.No.026548

Place: Hyderabad  
Date: 30-05-2017

**Annexure - A****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 **COSYN LIMITED** (“the Holding Company”) in respect of standalone Financial Statements as at March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management responsible for establishing and maintaining internal financial controls base 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. 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 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 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For RAMBABU & Co.,**  
Chartered Accountants  
FRN: 002976S

Place: Hyderabad  
Date: 30-05-2017

Sd/-  
**GVL Prasad**  
Partner  
M.No.026548.

## Consolidated Balance Sheet as at 31st March, 2017

(Amount in ₹)

Particulars		Note No.	As at 31 March, 2017	As at 31 March, 2016
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	3	7,50,00,000	7,50,00,000
	(b) Reserves and Surplus	4	14,62,04,991	7,99,02,222
	(c) Minority Interest		61,88,142	-
			<b>22,73,93,133</b>	<b>15,49,02,222</b>
<b>2</b>	<b>Non-Current Liabilities</b>			
	(a) Long-Term Borrowings	5	35,60,765	18,69,169
	(b) Deferred Tax Liabilities (Net)	6	35,27,660	43,72,471
			<b>70,88,425</b>	<b>62,41,640</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Short Term Borrowings	7	-	1,89,55,769
	(b) Trade Payables	8	5,58,15,326	4,71,88,787
	(c) Other Current Liabilities	9	6,50,57,545	5,03,56,104
			<b>12,08,72,871</b>	<b>11,65,00,660</b>
<b>TOTAL</b>			<b>35,53,54,429</b>	<b>27,76,44,522</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	10	2,38,43,626	1,99,01,507
	(ii) Intangible Assets		2,91,87,754	1,41,70,682
			<b>5,30,31,380</b>	<b>3,40,72,189</b>
	(b) Investments	11	11,15,820	-
	(c) Long-Term Loans and Advances	12	3,26,77,399	3,45,89,139
	(d) Other Non-Current Assets	13	-	32,22,530
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	14	2,90,87,105	5,30,61,934
	(b) Trade Receivables	15	17,97,45,894	12,94,71,724
	(c) Cash and Bank Balances	16	3,05,75,295	63,12,934
	(d) Short-Term Loans and Advances	17	2,91,21,536	1,69,14,072
			<b>26,85,29,831</b>	<b>20,57,60,664</b>
<b>TOTAL</b>			<b>35,53,54,429</b>	<b>27,76,44,522</b>

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **RAMBABU & Co.**,

Chartered Accountants

Firm Reg No: 002976S

For and on behalf of the Board

Sd/-  
G V L Prasad  
Partner  
Membership.No:026548

Sd/-  
Ravi Vishnu  
Chairman & Managing Director

Sd/  
A. Bhopal Reddy  
Whole Time Director

Place : Hyderabad  
Date : 30.05.2017

Sd/-  
K. Raghupathi Rao  
CFO

Sd/-  
A.Aravind  
Company Secretary

**Statement of Consolidated Profit and Loss Account for the year ended 31st March, 2017**

(Amount in ₹)

Particulars		Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>CONTINUING OPERATIONS</b>				
1	Revenue from Operations	18	31,50,28,405	24,35,31,462
2	Other Income	19	24,09,183	21,37,072
	<b>Total Revenue</b>		<b>31,74,37,588</b>	<b>24,56,68,534</b>
3	<b>Expenses</b>			
	(a) Cost of Materials Consumed	20	92,79,340	86,28,520
	(b) Operating Expenses	21	5,11,32,253	4,58,19,209
	(c) Changes in Inventories of work-in-progress	22	2,42,85,653	1,54,72,261
	(d) Employee Benefits Expense	23	12,12,09,668	11,16,68,046
	(e) Finance Costs	24	19,00,147	34,79,100
	(f) Depreciation and Amortisation Expense	10	92,46,583	75,16,574
	(g) Other Expenses	25	3,48,22,032	1,82,83,731
	<b>Total Expenses</b>		<b>25,18,75,676</b>	<b>21,08,67,442</b>
4	<b>Profit Before Tax</b>		6,55,61,913	3,48,01,092
5	<b>Tax Expense:</b>			
	(a) Current tax expense for current year		1,41,80,496	57,00,000
	(b) Deferred tax (Asset) / Liability		(8,44,811)	(7,62,822)
	(c) MAT credit entitlement		(1,30,39,563)	(57,00,000)
6	<b>Profit after Tax and before Minority Interest (4 - 5)</b>		<b>6,52,65,791</b>	<b>3,55,63,914</b>
	Less: Minority Interest		(10,36,978)	-
7	<b>Net Profit after tax &amp; after Minority Interest</b>		<b>6,63,02,769</b>	<b>3,55,63,914</b>
8	<b>Earnings Per Share (equity share of Rs.10/-each)</b>	26		
	Basic		8.84	4.74
	Diluted		8.84	4.74

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For RAMBABU & Co.,**

Chartered Accountants

Firm Reg No: 002976S

For and on behalf of the Board

Sd/-  
G V L Prasad  
Partner  
Membership.No:026548

Sd/-  
Ravi Vishnu  
Chairman & Managing Director

Sd/  
A. Bhopal Reddy  
Whole Time Director

Place : Hyderabad  
Date : 30.05.2017

Sd/-  
K. Raghupathi Rao  
CFO

Sd/-  
A.Aravind  
Company Secretary



**Consolidated Cash Flow Statement for the year ended 31st March 2017**

(Amount in ₹)

SI No	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>A</b>	<b>Cash Flows from operating activities :</b>		
	Net Profit After Tax	<b>6,63,02,769</b>	<b>3,55,63,914</b>
	Add: Current tax expense for current year	1,41,80,496	57,00,000
	Less: Deferred tax (Asset) / Liability	(8,44,811)	(7,62,822)
	Less: MAT credit entitlement	(1,30,39,563)	(57,00,000)
	Add : Depreciation	92,46,583	75,16,574
	Add : Interest	19,00,147	34,79,100
	Less: Interest & other income received	(24,09,183)	(21,37,072)
	<b>Operating Profit before working capital changes</b>	<b>7,53,36,438</b>	<b>4,36,59,694</b>
	Adjustment for:		
	Trade Receivables	(5,02,74,170)	(5,79,03,444)
	Inventories	2,39,74,829	1,55,66,829
	Investment	(11,15,820)	-
	Loans and Advances & other assets	(70,73,195)	72,46,375
	Trade Payables and Other Payables	2,29,99,634	70,51,009
		<b>(1,14,88,723)</b>	<b>(2,80,39,231)</b>
	<b>Cash Generated From Operations</b>	<b>6,38,47,715</b>	<b>1,56,20,463</b>
	Less : Income Tax Paid	11,40,933	-
	<b>Net cash from operating activities " A "</b>	<b>6,27,06,782</b>	<b>1,56,20,463</b>
<b>B</b>	<b>Cash Flows from Investing activities :</b>		
	Purchase of Fixed Assets	(2,78,77,427)	(1,39,02,358)
	Interest & other income received	24,09,183	21,37,072
	Margin Money Deposits/(Realisation)	(2,07,39,269)	(4,12,408)
	<b>Net cash utilised in investing activities " B "</b>	<b>(4,62,07,513)</b>	<b>(1,21,77,694)</b>
<b>C</b>	<b>Cash Flows from Financing Activities :</b>		
	Proceeds from long term borrowings - ( Net of payments )	16,91,596	(1,46,489)
	Proceeds from Short term borrowings - ( Net of payments )	(1,89,55,769)	(26,47,501)
	Share capital	61,88,142	-
	Interest	(19,00,147)	(34,79,100)
	<b>Net Cash used in Financing Activities " C "</b>	<b>(1,29,76,178)</b>	<b>(62,73,090)</b>
	<b>Net ( Decrease ) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>35,23,091</b>	<b>(28,30,321)</b>
	<b>Cash and Cash Equivalents at the beginning</b>	<b>4,06,006</b>	<b>32,36,327</b>
	<b>Cash and Cash Equivalents at the end</b>	<b>39,29,098</b>	<b>4,06,006</b>

As per our report of even date  
For RAMBABU & Co.,  
Chartered Accountants  
Firm Reg No: 002976S

For and on behalf of the Board

Sd/-  
G V L Prasad  
Partner  
Membership.No:026548

Sd/-  
Ravi Vishnu  
Chairman & Managing Director

Sd/  
A. Bhopal Reddy  
Whole Time Director

Place : Hyderabad  
Date : 30.05.2017

Sd/-  
K. Raghupathi Rao  
CFO

Sd/-  
A.Aravind  
Company Secretary

**Notes forming part of the financial statements****1. Corporate information**

COSYN LIMITED is incorporated in April, 1994 for carrying out the activities of offering a full range of software outsourcing services from end to end development of new software and web solutions, Enterprise Application Services, re-engineering and enhancement of legacy applications, application integration and maintenance, BPO / ITES services for Utilities, E-Governance, BFSI, Retail and DMS. The Company is carrying its activities from its registered office situated at # 6-1-85/10, Opp Telephone Bhavan, Saifabad, Hyderabad – 500 004.

**2. Significant Accounting Policies****2.1 Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the applicable accounting standards notified under the *Companies (Accounting Standards) Rules, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

**2.2 Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**2.3 Basis of consolidation.**

The consolidated financial statements include the financial statements of Cosyn Limited, the parent company and its subsidiary, in which the Company has more than one-half of the voting power of an enterprise.

Financial Statements of the subsidiary company are consolidated on line-by-line basis by adding together like items of assets, liabilities, income and expenses. Any significant inter group balances and transactions, and any unrealized gains from inter-group transactions, are eliminated in preparing the consolidated financial statements. Exchange differences resulting from the difference due to transactions of foreign currency assets and liabilities in subsidiary company is disclosed as foreign currency translation adjustment.

Consolidated Financial Statements are prepared by applying accounting policies, as followed by the Company and its subsidiaries; to the extent it is practicable. Significant differences in the accounting policies, if any, are appropriately disclosed by way of Notes to the Consolidated Financial Statements.

#### **2.4 Cash and cash equivalents**

Cash comprises cash on hand and fixed deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amount of cash and which are subject to insignificant risk of changes in value.

#### **2.5 Cash flow statement**

Cash Flows are reported using the indirect method, where by profit /(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **2.6 Tangible fixed assets and depreciation**

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided using Straight Line Method at the rates estimated by the Management which coincides with the rates prescribed under Schedule XIV of the Companies Act, 1956.

#### **2.7 Impairment**

The carrying amounts of assets are reviewed at each balance sheet date to see if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

#### **2.8 Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

## 2.9 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

## 2.10 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

### (I). Revenue from sale of goods

Sales are recognized net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

### (II). Revenue from sale of Services

Revenue from software related services are accounted for on the basis of services rendered as per terms of contract.

Revenue from BPO services are based on the performance of specific criteria at contracted rates.

### (III). Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

### (IV). Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

**2.11 Inventory Valuation**

- i. Stocks of consumables are valued at cost.
- ii. Project work in progress is valued with reference to the actual cost incurred for the work performed up to the reporting date bear estimated total project cost of each project.

**2.12 Foreign currency translation****Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**2.13 Retirement and other employee benefits****Defined contribution plans:**

Contributions in respect of Employees Provident Fund and Family Pension Fund are charged to the Profit and Loss account as incurred.

**Defined benefit plans:**

The Company also provides for other employee benefits in the form of gratuity. The Company's Contributions to Gratuity scheme is provided for based on Valuations, as at the balance sheet date made by independent actuaries. The gratuity fund is managed by the Life Insurance Corporation of India (LIC).

**Long-term employee benefits**

The Company has a policy to encash all unavailed leaves over and above 60 days after every calendar year compulsorily. Also, the employee is entitled to encash leaves as and when required by them.

**Short-term employee benefits:**

The undiscounted amount of short-term employee benefits i.e. performance incentive expected to be paid in exchange for the services rendered by employee are recognized during the year when employees render the service.

**2.14 Income tax**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**2.15 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**2.16 Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**Notes forming part of the Consolidated Financial Statements**
**3. Share Capital**

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity Shares of Rs 10/- each with voting rights	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
(b) Issued, Subscribed and Fully Paid-up: Equity Shares of Rs 10/- each with voting rights	75,00,000	7,50,00,000	75,00,000	7,50,00,000
<b>TOTAL</b>		<b>7,50,00,000</b>		<b>7,50,00,000</b>

**(i) Reconciliation of Shares**

Particulars	Opening Balance	Conversion of Share Warrants	Closing Balance
Equity shares with voting rights Year ended 31 March, 2017			
- Number of shares	75,00,000	-	75,00,000
- Amount (Rs.)	7,50,00,000	-	7,50,00,000
Year ended 31 March, 2016			
- Number of shares	75,00,000	-	75,00,000
- Amount (Rs.)	7,50,00,000	-	7,50,00,000

(ii) All Equity Shares issued by the company carry equal voting and participatory rights

**(iii) The details of share holders holding more than 5% shares :**

Name of the share holder	As at 31 March, 2017		As at 31 March, 2016	
	No of Shares	% held	No of Shares	% held
Sri. Ravi Vishnu	8,50,539	11.34	8,50,539	11.34
Sri. D. Vikram Reddy	7,40,500	9.87	7,40,500	9.87
Sri. R. Radha Krishna Murthy	5,41,100	7.21	5,41,100	7.21
Sri. A. Bhopal Reddy	4,77,000	6.36	4,81,400	6.42

**4. Reserves and Surplus**
**(Amount in ₹)**

Particulars	As at 31 March, 2017		As at 31 March, 2016	
(a) Share Premium				
Opening balance	7,34,64,090		7,34,64,090	
<b>Add:</b> Additions during the year	-		-	
Closing balance		7,34,64,090		7,34,64,090
(b) Capital Reserve		19,25,000		19,25,000
(c) Surplus / (Deficit) in Statement of Profit and Loss				
Balance at the beginning of the year	45,13,132		(3,10,50,782)	
<b>Add:</b> Profit for the year	6,63,02,769		3,55,63,914	
Closing Balance		7,08,15,901		45,13,132
<b>TOTAL</b>		<b>14,62,04,991</b>		<b>7,99,02,222</b>

**Notes forming part of the Consolidated financial statements**
**5. Long Term Borrowings**
**(Amount in ₹)**

Particulars	As at 31 March, 2017	As at 31 March, 2016
i) From Banks - Secured		
Term Loan from State Bank of India	-	45,331
ii) From Non Banking Financial Institutions		
Bajaj Finance Ltd (Ref Note 5.1)	4,97,463	18,23,838
Bajaj Finance Ltd (Ref Note 5.2)	4,62,549	-
Magma Fincorp Ltd (Ref Note 5.3)	7,18,904	-
Tata Capital Financial Services Ltd (Ref Note 5.4)	18,81,849	-
<b>Total</b>	<b>35,60,765</b>	<b>18,69,169</b>

5.1. During the financial year 2015-16 Bajaj Finance Limited has sanctioned Unsecured Loan for Rs. 35,70,000/-. The said loan is repayable in 36 monthly equal installments of Rs 1,29,064/- each. The said loans are secured by way of post dated cheques issued by the Company.

5.2. During the financial year 2016-17 Bajaj Finance Limited has sanctioned Unsecured Loan for Rs. 10,12,000/-. The said loan is repayable in 36 monthly equal installments of Rs 37,096/- each. The said loans are secured by way of post dated cheques issued by the Company.

5.3. During the financial year 2016-17 Magma Fincorp Ltd has sanctioned Unsecured Loan for Rs. 30,00,000/-. The said loan is repayable in 24 monthly equal installments of Rs 1,50,498/- each. The said loans are secured by way of post dated cheques issued by the Company.

5.4. During the financial year 2016-17 Tata Capital Financial Services Ltd Ltd has sanctioned Unsecured Loan for Rs. 35,00,000/-. The said loan is repayable in 36 monthly equal installments of Rs 1,27,413/- each. The said loans are secured by way of post dated cheques issued by the Company.

5.5 Current maturities of long term borrowings have been disclosed under the head Other Current Liabilities separately.

**6. Deferred Tax Liability**
**(Amount in ₹)**

Particulars	As at 31 March, 2017	As at 31 March, 2016
Opening Balance	43,72,471	51,35,293
Add: On account of Deferred Revenue Expenditure	-	(10,95,339)
Add: On account of difference of Depreciation	(8,44,811)	18,58,161
<b>Net Deferred Tax Liability</b>	<b>35,27,660</b>	<b>43,72,471</b>

**7. Short Term Borrowings**
**(Amount in ₹)**

Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>Secured: From Banks</b>		
Cash Credit - State Bank of India (Refer Note 7.1)	-	1,89,55,769
<b>Total</b>	<b>-</b>	<b>1,89,55,769</b>

7.1 During the financial year the total outstanding amount of Cash credit was repaid

**8. Trade Payables:**
**(Amount in ₹)**

Particulars	As at 31 March, 2017	As at 31 March, 2016
Creditors for Services	5,28,97,556	4,46,53,187
Creditors for Consumables	21,71,206	23,58,631
Creditors for Expenses	7,46,563	1,76,969
<b>Total</b>	<b>5,58,15,326</b>	<b>4,71,88,787</b>



**9. Other Current Liabilities**
**(Amount in ₹)**

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Current Maturities of Long-Term Debt - From Banks		
i) From Banks - Secured		
Term Loan from State Bank of India	-	19,68,125
ii) From Non Banking Financial Institutions		
Bajaj Finance Ltd (Ref Note 5.1)	13,26,375	11,09,364
Bajaj Finance Ltd (Ref Note 5.2)	3,23,061	-
Magma Fincorp Ltd (Ref Note 5.3)	15,16,729	-
Tata Capital Financial Services Ltd (Ref Note 5.4)	10,74,752	-
(b) Other payables		
(i) Statutory remittances		
Service tax Payable	3,74,85,061	2,50,38,783
Tds Payable	17,69,434	27,50,710
Sales Tax Payable	-	1,62,457
ESI Payable	51,77,226	50,57,718
PF Payable	86,41,891	78,17,514
Professional Tax Payable	40,660	3,840
(ii) Payables on purchase of fixed assets	7,67,240	4,38,895
(iii) Advance from Customers	56,66,894	42,37,529
(iv) Other Liabilities	12,68,222	17,71,169
<b>Total</b>	<b>6,50,57,545</b>	<b>5,03,56,104</b>

(Amount in ₹)

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK	
	Balance As At 01.04.2016	Additions	Disposals	Balance As At 31.03.2017	Disposals	For the Year	Balance As At 31.03.2017	Balance As At 31.03.2016
<b>(i) TANGIBLE ASSETS</b>								
Land	13,31,295	-	-	13,31,295	-	-	13,31,295	13,31,295
Computer/Hardware	10,07,07,519	46,27,430	-	10,53,34,949	-	14,33,172	96,06,117	64,11,859
Furniture and fixtures	1,68,93,285	5,27,783	-	1,74,21,068	-	5,76,146	33,18,324	33,66,687
Electrical Fittings	1,93,90,322	45,188	-	1,94,35,510	-	16,21,250	45,13,986	60,90,048
Vehicles	29,78,350	-	-	29,78,350	-	1,99,499	2,18,103	4,17,602
Office Equipment	1,03,89,036	33,12,957	-	1,37,01,993	-	7,41,172	48,55,801	22,84,016
Library Books	8,65,901	-	-	8,65,901	-	-	-	-
<b>Total</b>	<b>15,25,55,708</b>	<b>85,13,358</b>	<b>-</b>	<b>16,10,69,066</b>	<b>-</b>	<b>45,71,239</b>	<b>2,38,43,626</b>	<b>1,99,01,507</b>
Previous Year	14,87,64,829	37,90,879	-	15,25,55,708	-	67,75,932	1,99,01,507	-
<b>(ii) INTANGIBLE ASSET</b>								
Computer Software	7,92,19,070	1,96,92,414	-	9,89,11,484	-	46,75,342	2,91,87,754	1,41,70,682
<b>Total</b>	<b>7,92,19,070</b>	<b>1,96,92,414</b>	<b>-</b>	<b>9,89,11,484</b>	<b>-</b>	<b>46,75,342</b>	<b>2,91,87,754</b>	<b>1,41,70,682</b>
Previous Year	6,92,33,370	99,85,700	-	7,92,19,070	-	7,40,642	6,50,48,388	-
<b>Total</b>	<b>23,17,74,778</b>	<b>2,82,05,772</b>	<b>-</b>	<b>25,99,80,550</b>	<b>-</b>	<b>92,46,581</b>	<b>20,69,49,170</b>	<b>3,40,72,189</b>
Previous Year Total	21,79,98,199	1,37,76,579	-	23,17,74,778	-	75,16,574	19,77,02,589	-

**11. Investments**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Investment in Subsidiary Company (at cost)		
Investment in Geo Nimbus Corporation (Ref.Note 11.1)	11,15,820	-
<b>Total</b>	<b>11,15,820</b>	<b>-</b>

11.1 During the year, Company made investment of 16500 Equity Shares (in the form of Software 15000 equity shares and others 1500 Equity shares)

**12. Long-Term loans and Advances**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
( Unsecured, considered good, recoverable in cash or in kind for value to be received )		
(a) Capital advances		
Advance for Capital goods	24,000	34,776
(b) Deposits		
Deposits - APCPDCL	42,426	42,426
Deposits - Electricity	5,32,255	4,89,455
Retension Money - PSPCL	1,15,58,061	77,24,716
Deposits - Others	2,45,069	2,50,432
Deposits - Performance Guarantees	1,27,26,695	1,07,26,695
Deposits - Rent	11,36,789	11,36,799
(c ) Advance to subsidiary (Refer.Note 12.1)	25,000	-
(d) Prepaid Taxes (Net of Provision)	63,87,104	1,41,83,840
<b>Total</b>	<b>3,26,77,399</b>	<b>3,45,89,139</b>

The Company has given advance to Wholly Owned Subsidiary M/s Cosyn LLC,Texas,USA.

**13. Other Non-Current Assets**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Deferred Revenue Expenditure (Ref. Note 13.1)	32,22,530	64,45,066
Less: Written off during the year	32,22,530	32,22,536
<b>Total</b>	<b>-</b>	<b>32,22,530</b>

13.1 During the Financial Year 2013-14 Company incurred an amount of Rs .1,28,90,136/- for development of software in order to facilitate and execute online billing to the consumers of Punjab State Power Corporation Limited (PSPCL).

The said project with P SPCL is spread over a period of 4 years and the software developed can be used for a period of 4 years. The expenditure of Rs.1,28,90,136/- incurred for development of software is deferred and will be written off over a period of 4years from the Financial year 2013-14.

Accordingly this being the Last year, Company written off balance amount of Rs.32,22,530/- being 1/4 th of the total deferred revenue expenditure.

**14. Inventories**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(As valued and Certified by Management)		
(a) Consumables	4,43,669	1,32,845
(b) Work-in-progress	2,86,43,436	5,29,29,089
<b>Total</b>	<b>2,90,87,105</b>	<b>5,30,61,934</b>

**15. Trade Receivables**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	4,01,09,881	1,14,58,699
Doubtful	75,68,012	-
	4,76,77,893	1,14,58,699
Less: Bad debts written off	75,68,012	-
	4,01,09,881	1,14,58,699
Other Trade Receivables		
Unsecured, considered good	13,96,36,013	11,80,13,025
<b>Total</b>	<b>17,97,45,894</b>	<b>12,94,71,724</b>

**16. Cash and Bank Balances**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>(a) Cash and cash equivalents</b>		
(i) Cash on hand	4,998	35,825
(ii) Balances with banks		
(a) Current accounts	37,36,280	3,70,181
(b) Cash Credit Account	1,87,820	-
<b>Total</b>	<b>39,29,098</b>	<b>4,06,006</b>
<b>(b) Other Bank Balances</b>		
(i) Margin Money for Bank Guarantees	2,66,46,197	59,06,928
<b>Total</b>	<b>2,66,46,197</b>	<b>59,06,928</b>
<b>Total</b>	<b>3,05,75,295</b>	<b>63,12,934</b>

16.1 (a) Out of the above Cash and Bank balances, Cash and cash equivalents that meet the definition of cash flow statement is Rs 39,29,098/- (Previous year Rs 4,06,006/-).

**17. Short-Term Loans and Advances**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>(Unsecured, considered good)</b>		
(a) Loans and Advances	23,17,561	14,46,737
(b) Prepaid Expenses	4,20,955	4,87,823
(c) Advance for services and other expenses	76,43,457	92,79,512
(d) Mat Credit	1,87,39,563	57,00,000
<b>Total</b>	<b>2,91,21,536</b>	<b>1,69,14,072</b>

**Notes forming part of the Consolidated Financial Statements**
**18 Revenue from Operations**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Sale of Services		
- Domestic	34,47,06,581	27,70,51,971
- Exports	1,53,85,080	-
	<b>36,00,91,661</b>	<b>27,70,51,971</b>
Less: Service Tax	4,50,63,256	3,34,82,176
Less: Sales Tax	-	38,333
<b>Total</b>	<b>31,50,28,405</b>	<b>24,35,31,462</b>

**19 Other Income**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Interest Income	20,32,983	4,28,677
(b) Interest on Income Tax Refund	3,76,200	17,08,395
<b>Total</b>	<b>24,09,183</b>	<b>21,37,072</b>

**20 Cost of Materials Consumed**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Opening stock	1,32,845	2,27,413
Add: Purchases	95,90,164	85,33,952
<b>Total</b>	<b>97,23,009</b>	<b>87,61,365</b>
Less: Closing stock	4,43,669	1,32,845
<b>Total</b>	<b>92,79,340</b>	<b>86,28,520</b>

**21 Operating Expenses**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Sub Contracting Expenses	4,84,38,126	4,34,12,441
Repairs to Plant & Machinery	17,09,641	13,24,756
Power & Fuel	4,57,193	6,86,068
Frieght	5,27,293	3,95,944
<b>Total</b>	<b>5,11,32,253</b>	<b>4,58,19,209</b>

**22. Change in Inventory of Work-in-progress**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
<u>Inventories at the end of the year:</u>		
Work-in-progress	2,86,43,436	5,29,29,089
	<b>2,86,43,436</b>	<b>5,29,29,089</b>
<u>Inventories at the beginning of the year:</u>		
Work-in-progress	5,29,29,089	6,84,01,350
	<b>5,29,29,089</b>	<b>6,84,01,350</b>
<b>Net (Increase) / Decrease</b>	<b>2,42,85,653</b>	<b>1,54,72,261</b>

**23 Employee Benefits Expense**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Salaries and Wages	10,76,96,461	9,94,41,085
Contributions to Provident Fund & other funds	1,30,17,987	1,16,86,974
Staff Welfare expenses	4,95,220	5,39,987
<b>Total</b>	<b>12,12,09,668</b>	<b>11,16,68,046</b>

**24 Finance Cost**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>Interest expense on:</b>		
Interest on TDS	1,53,030	2,09,553
Interest on Bajaj Finance and other NBFC's	12,55,331	4,00,658
Interest on Working Capital Loans	4,91,786	28,68,889
<b>Total</b>	<b>19,00,147</b>	<b>34,79,100</b>

**25 Other Expenses**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Rent	34,82,217	33,07,696
Repairs and Maintenance	14,14,630	15,30,874
Insurance	2,35,499	3,04,118
Rates and Taxes	3,41,724	1,56,729
Communication Expenses	18,81,403	16,64,252
Travelling and Conveyance	32,79,153	11,48,310
Business promotion Expenses	26,47,643	3,19,737
Legal and professional Expenses	78,15,277	42,84,064
Payment to Auditors (Refer Note: 25.1)	4,00,000	4,00,000
Bad Debts written off	75,68,012	-
Deferred Revenue Expenditure written off (Refer Note.13.1)	32,22,530	32,22,536
Exchange Fluctuation	34,509	-
Miscellaneous expenses	15,40,790	7,55,148
Bank Charges	9,49,052	10,35,146
Prior period items	9,594	1,55,121
<b>Total</b>	<b>3,48,22,032</b>	<b>1,82,83,731</b>

**25.1. Payment to Auditors comprises**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Statutory Audit fee	2,50,000	2,50,000
Taxation Audit Fee	1,50,000	1,50,000
<b>Total</b>	<b>4,00,000</b>	<b>4,00,000</b>

**26. Earnings Per Share**

(Amount in ₹)

Particulars	As at 31 March, 2017	As at 31 March, 2016
<b>Basic</b>		
<u>Total operations</u>		
Net profit for the year attributable to the equity shareholders	6,63,02,769	3,55,63,914
Weighted average Number of equity shares	75,00,000	75,00,000
Par value per share	<b>10.00</b>	<b>10.00</b>
Earnings per share - Basic	<b>8.84</b>	<b>4.74</b>
<u>Diluted</u>		
The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.		
<u>Total Operations</u>		
Net profit for the year attributable to the equity shareholders	6,63,02,769	3,55,63,914
Weighted average number of equity shares for Basic EPS	75,00,000	75,00,000
Weighted average number of equity shares - for diluted EPS	75,00,000	75,00,000
Par value per share	<b>10.00</b>	<b>10.00</b>
Earnings per share - Diluted	<b>8.84</b>	<b>4.74</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**27. Contingent Liabilities not acknowledged as debt:**

	<b>2016-17</b>	<b>2015-16</b>
	<b>Rs</b>	<b>Rs</b>
Bank Guarantees	2,49,13,404	2,85,93,404

**28. Related Party Transactions:**

A. Related Parties and their Relationship

(As identified and certified by the Management)

- I. Associate Company : RRK ENTERPRISE PRIVATE LIMITED
- II. Key Managerial Personnel (KMP):
- III. Ravi Vishnu : Chairman & Managing Director

Summary of the Transactions with the above Related Parties are as follows:

Nature of Transactions	Subsidiary / Associate Companies		KMP and Relatives of KMP	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Remuneration & Perquisites	--	--	30.01,960/-	29,52,329/-
Loans & Advance given				
Loans and Advances taken/(repaid)	--	(18,50,000)	--	--
Balance outstanding		--	--	--
Receivable/(Payable) as on Balance Sheet date.			---	---
	-	---		

**29. Segment Details.**

Company is engaged in providing Information Technology Services which in the context of Accounting Standard – 17 issued by ICAI are considered to constitute one single segment

**30. Dues to Micro, Small and Medium Enterprises:**

The Company is seeking confirmation from its suppliers whether they fall under the category of micro, small and medium enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Based on confirmations received till date, the company believes that it does not have any outstanding dues towards Micro Small and Medium Enterprises. Further the company has not paid/accrued any interest under this MSMED Act.

**31. Details of Specified Bank Notes (SBN) held and transacted during the period 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016.**

<b>S.N o.</b>	<b>Particulars</b>	<b>Specified Bank Notes</b>	<b>Other Denomination Notes</b>	<b>Total (Rs)</b>
1	Closing Cash Balance as on 08th November 2016	11,500	4,377	15,877
2	Add : Permitted Receipts	-	-	-
3	Less : Permitted Payments	58,000	15,666	73,666
4	Less : Cash Deposits /Exchange in Banks	11,500	-	11,500
5	Add : Cash Withdrawals	62,000	12,600	74,600
6	Closing Cash Balance as on 30th December 2016	4,000	1,311	<b>5,311</b>

**32.** Confirmations are not received in respect of the amounts relating to trade receivables, trade Payables, loan & advances.

**33.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Figures rounded off to the nearest rupee.

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Note 1 to 33 form part of the Balance Sheet and have been authenticated.

**In Terms of our report attached**

**For and on behalf of the Board**

**For RAMBABU & Co.,  
Chartered Accountants  
Firm Reg. No. 002976S**

**Sd/-  
Ravi Vishnu  
Chairman & Managing Director**

**Sd/-  
A. Bhopal Reddy  
Whole Time Director**

**Sd/-  
GVL Prasad  
Partner  
Membership No.026548**

**Sd/-  
K. Raghupathi Rao  
CFO**

**Sd/-  
A. Aravind  
Company Secretary**

Place: Hyderabad  
Date: 30.05.2017



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**COSYN LIMITED**

**CIN: L72200TG1994PLC017415**

Regd.off :#6-1-85/10,Opp Telephone Bhavan,Saifabad, Hyderabad –500004.

+91-40-23230305, Website: [www.cosyn.in](http://www.cosyn.in), e-mail:comsec@cosyn.in

**(Please present this at the entrance of the meeting venue)**

**ATTENDENCE SLIP**

I hereby state that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on 29-09-2017at Jubilee Hills International Centre, Jubilee Hills, Hyderabad - 500 033, India, or/any adjournment thereof.

Name of the attending shareholder: \_\_\_\_\_

(in block letters)

Name of the proxy: \_\_\_\_\_

(to be filled in if proxy attends)

Signature of shareholder: \_\_\_\_\_

Signature of proxy: \_\_\_\_\_

Regd. Folio Number Or DP/Client ID No. \_\_\_\_\_

Number of shares held: \_\_\_\_\_

**Note:**

1. Shareholders/proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand over at the gate, affixing the signature on them.
2. Members are informed that no duplicate attendance slips will be issued.

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**COSYN LIMITED****CIN: L72200TG1994PLC017415**Regd.off :#6-1-85/10,Opp Telephone Bhavan,Saifabad, Hyderabad –500004.  
+91-40-23230305, Website: [www.cosyn.in](http://www.cosyn.in), e-mail:comsec@cosyn.in**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name and Address of the Shareholder(s).....

E-Mail I.D.: .....

Folio No. / DP I.D. &amp; Client I.D.: .....

I/We being the member(s) of ..... Shares of COSYN Limited, hereby appoint

1. Name: .....  
Email-id: .....  
Address: .....  
Signature:.....

Or failing him

2. Name: .....  
Email-id: .....  
Address: .....  
Signature:.....

Or failing him

3. Name: .....  
Email-id: .....  
Address: .....  
Signature:.....AFFIX  
Re.1.00  
REVENUE  
STAMP**Ordinary Business:**

- To receive, consider and adopt, the audited statement of profit and loss for the financial year ended on 31 March 2017 and the balance sheet as at that date and the reports of the Board of Directors and Auditors there on.
- To recommend declaration of Dividend of Re.1 i.e., 10% per equity share on face value of Rs. 10/- each for the year ended 31<sup>st</sup> March, 2017.
- To appoint Director in place of Mr. Aruva Bhopal Reddy who retires by rotation and being eligible offers himself for re-appointment
- To appoint M/s. Suryanarayana & Suresh as Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the Resolution as Ordinary resolution.

**Special Business:**

- To consider and increase remuneration of Mr. Ravi Vishnu Managing Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the resolution as Special resolution.
- To consider and increase remuneration of Mr. A. Bhopal Reddy Whole-Time Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the resolution as Special resolution.
- Authority to borrow in excess of the paid up capital and reserves
- Authority to create mortgages, charges and hypothecations

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

Signature of Shareholder.....Signature of Proxy holder(s).....

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**COSYN LIMITED****CIN: L72200TG1994PLC017415**

Regd.off :#6-1-85/10,Opp Telephone Bhavan,Saifabad, Hyderabad –500004.  
 +91-40-23230305, Website: [www.cosyn.in](http://www.cosyn.in), e-mail:comsec@cosyn.in

**BALLOT FORM**

(Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1) (C) of the Companies (Management and Administration) Rules, 2014

1. Name(s) Shareholder(s)Including :  
Joint Holders if any (in Block Letters)
2. Registered Address of the Sole/ :  
First name Shareholder/Beneficial Owner
3. Registered Folio No./DPID No / Client ID No.:
4. Class of Shares :
5. I/we hereby exercise my/our vote in respect to f the following resolutions to be passed 23rd annual general meeting of the company to be held on Friday, 29th September 2017 at Jubilee Hills International Centre, Jubilee Hills, Hyderabad-500033,India for the business stated in the Notice of the Company dated 14-8-2017 by sending my / our assent or dissent to the said ordinary resolution by placing tick(✓)(X)mark at the appropriate box below:

Resolution No.	Resolution Item	No of Shares held	I/We assent to the Resolution	I/We dissent to the Resolution
<b>Ordinary Business</b>				
ITEM - 1	Adoption of the audited balance sheet, statement of profit and loss, accounts for FY2016-17, etc.			
ITEM - 2	To recommend declaration of Dividend of Re.1 i.e., 10% per equity share on face value of Rs. 10/- each for the year ended 31st March, 2017.			
ITEM - 3	Appointment of Mr. Aruva Bhopal Reddy as Director who retires by rotation and offers himself for re-appointment			
ITEM - 4	Appointment of M/s Suryanarayana & Suresh as Statutory Auditors of the Company			
<b>Special Business</b>				
ITEM - 5	To consider and increase remuneration of Mr. Ravi Vishnu, Managing Director of the Company.			
ITEM - 6	To consider and increase remuneration of Mr. A. Bhopal Reddy Whole-Time Director of the Company.			
ITEM - 7	Authority to borrow in excess of the paid up capital and reserves			
ITEM - 8	Authority to create mortgages, charges and hypothecations			

Place:

Date:

Signature of the Shareholder

Note Last date for receipt of Postal Ballot forms by the Scrutinizer: 26<sup>th</sup> September 2017.

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**COSYN LIMITED**

(Formerly known as CSS Technergy Limited)

**CIN : L72200TG1994PLC017415**

Regd. Off : # 6-1-85/10, Opp. Telephone Bhavan,  
Saifabad, Hyderabad - 500 004.

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