



**COSYN LIMITED**

Annual Report 2017-18

## **CONTENTS**

Corporate Information	2
Notice	3
Director's report	12
Management Discussion and Analysis Report	20
Report on Corporate Governance	35
Standalone Financial Statements	63
Consolidated Financial Statements	87
Attendance Slip	107
Proxy Form	109
Ballot Form	111

## CORPORATE INFORMATION

<b>CIN</b>	: L72200TG1994PLC017415
<b>Board of Directors</b>	
Mr. Ravi Vishnu	: Managing Director
Mr. Bhopal Reddy	: Executive Director
Smt. R Kasturi	: Non- Executive Women Director
Mr. Rama Rao Karumanchi	: Independent Director
Mr. V. Siva Rama Krishna Murthy	: Independent Director
Mr. P Venkata Rao	: Independent Director
<b>Company Secretary &amp; Compliance Officer</b>	: Mr. Aravind Aitipamula
<b>Chief Financial Officer</b>	: Mr. Kadari Raghupathi Rao
<b>Registered Office</b>	: 6-1-85/10, Opp. Telephone Bhavan Saifabad, Hyderabad – 500 004 Tel: +91-40-23230305,23230306 Fax: +91-40-23230313
<b>Auditors</b>	: SURYANARAYANA & SURESH, Chartered Accountants 8-2-601/B, Flat No. C2, Road No.10, Millenium House, Near Zaheer Nagar X Roads, Banjara Hills, Hyderabad- 500 034
<b>Bankers</b>	: State Bank of India, Balanagar Branch, Hyderabad – 500 037, India
<b>Share Transfer Agents</b>	: 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
<b>Investor e-mail ID</b>	: comsec@cosyn.in
<b>Website</b>	: www.cosyn.in

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 24th Annual General Meeting of the members of Cosyn Limited (CIN: L72200TG1994PLC017415) will be held on Saturday, the 29th day of September, 2018 at 10.00 A.M. at Jubilee Hills International Center, Jubilee Hills, Hyderabad – 500 033 to transact with or without modification(s), as may be permissible, the following items of business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a) The Audited Financial Statements of the Company for the financial year ended 31st March, 2018, including the Audited Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date and reports of the Board of Directors and Auditors thereon.
  - b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018, together with the Report of the Auditors thereon.
2. To declare final dividend of Rs. 1.00/- (10%) per Equity Share of Rs. 10/- each to the shareholders for the financial year 2017-18.
3. To appoint a Director in place of Mrs. Ravi Kasturi (DIN 01936068) who retires by rotation and being eligible, offers herself for re-appointment.
4. Ratification of appointment of M/s. Suryanarayana & Suresh., Chartered Accountants (ICAI Reg. No. 006631S) as the Statutory Auditors of the Company.

By order of Board of Directors

Place: Hyderabad  
Date: 14.08.2018

Sd/-  
Ravi Vishnu  
Managing Director  
DIN:01144902

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Proxies, in order to be effective, must be received at the registered office of the Company, duly completed and signed, not less than forty-eight hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by appropriate resolution / authority, as applicable.
3. Book Closure and Dividend:
  1. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd September, 2018 to 29th September, 2018 (both days inclusive) for Annual closing and determining the entitlement of the shareholders for the final dividend for 2017-18.
  2. If dividend on Equity Shares, as recommended by the Board, is approved at the Annual General Meeting, the payment of such dividend will be made on or before 30 days from the date of Annual General Meeting, as under:
    - i. to all beneficial owners in respect of Shares held in electronic form as per details furnished by the Depositories for this purpose as at the end of business hours on 22nd September, 2018.
    - ii. to all Members in respect of Shares held in physical form, after giving effect to valid share transfers lodged with the Company on or before 22nd September, 2018.
4. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, ECS mandate.

In case you are holding Company's shares in physical form, please inform Company's RTA viz. XL Softech Systems Limited by enclosing a photocopy of blank cancelled cheque of your bank account.
5. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/Company.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. Members attending the Meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.
8. As required under the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, a route map, including a prominent landmark, showing directions to reach the AGM venue is annexed hereto.
9. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.
10. Members, who have not encashed their dividend for the financial year ended 31st March, 2017 are requested to make their claims to the Company accordingly, without any delay.
11. In accordance with the provisions of Section 101 and other applicable provisions, if any of the Companies Act, 2013, read with Rule 18 of the Companies (Management and Administration) Rules, 2014, as amended, the Notice of AGM, Attendance Slip, Proxy Form and Annual Report are being sent by email to those Members who have registered their email addresses with their DP (in case of shares held in demat form) or with the Company's Registrar and Share Transfer Agent (in case of shares held in physical form). For Members whose email ids are not registered, physical copies of the Notice of AGM, Attendance Slip, Proxy Form and Annual Report are being sent by permitted mode.

Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report 2017-18 will also be available on the Company's website [www.cosyn.in](http://www.cosyn.in)

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / RTA.
13. In accordance with the MCA's "Green Initiative in Corporate Governance" members who have not registered their email addresses are requested to register their Email IDs with the RTA for receiving the Annual Report and other communications through electronic mode pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended from time to time.
14. The facility for voting through poll shall also be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right to vote at the Annual General Meeting.
15. The Members who have cast their vote by remote e-Voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

16. The Company has appointed M/s. A.S.Ramkumar & Associates, Company Secretaries as the Scrutinizer to scrutinize the voting at the meeting and remote e-Voting process, in a fair and transparent manner.
17. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting, in the presence of at least two (2) witnesses not in the employment of the Company.
18. The Scrutinizer will collate the votes cast at the AGM, votes downloaded from the e-voting system and make, not later than 48 hours from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
19. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.cosyn.in](http://www.cosyn.in) and will be communicated to BSE Limited, where the shares of the Company are listed.

### **E-VOTING**

The business as set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 24th Annual General Meeting. The Company has engaged the services of Central Depository Services India Limited (CDSL) to provide the e-voting facility.

The Members whose names appear in the Register of Members / List of Beneficial Owners as on 22nd September 2018 (cut-off date), are entitled to vote on the resolutions set forth in this Notice.

The e-voting period will commence on Tuesday, 25th September, 2018 (09:00 hrs) and will end on Friday, 28th September 2018 (17:00 hrs). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date and time mentioned above.

The Company has appointed M/s. A.S. Ramkumar & Associates, Company Secretaries to act as Scrutinizer to conduct and scrutinize the electronic voting process and poll at the Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

### **PROCEDURE FOR E-VOTING:**

Instructions for members for voting electronically are as under:

**i. In case of members receiving e-mail (for members whose e-mail address are registered with the Company/Registrars)**

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on “Shareholders” tab.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first-time user, follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

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 in Capital letters and the 8 digits of the sequence number in the PAN field. (The sequence number is printed on the address leaf of the Annual Report)</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company, please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iii).</li> </ul>

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen.



However, Members holding shares in demat form will now reach 'Password Creation' menu where in 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.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Company, i.e., Cosyn Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

- After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for 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.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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).

**ii. In case of members receiving the physical copy of notice of 24th Annual General Meeting by courier (for members whose e-mail ids are not registered with the Company/Depositories):**

Please follow all the steps from S.No.(i) to S.No. (xvii) to cast vote.

**iii. General Instructions:**

- i. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 22nd September, 2018.
- ii. Members can opt for only one mode of voting, i.e., either by venue voting or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through venue voting will be treated as invalid.
- iii. Members who do not have access to e-voting facility have been additionally provided the facility through Ballot Form. They may send duly completed Ballot Form to the Scrutinizer at the Registered Office of the Company so as to reach on or before the conclusion of the 24th Annual General Meeting or can carry the same to the AGM and deposit in the Ballot Box during the Meeting. Members have the option to request for physical copy of Ballot Form by sending an e-mail to [comsec@cosyn.in](mailto:comsec@cosyn.in) by mentioning their Folio No. / DP ID and Client ID.
- iv. The facility for voting through ballot form shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.
- v. The member who cast their vote by e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.
- vi. The Scrutinizer, after scrutinizing the votes cast at the meeting through poll and through remote e-voting will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman. The results de-

clared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.cosyn.in](http://www.cosyn.in) and on the website of [www.cdslindia.com](http://www.cdslindia.com) The results will simultaneously be communicated to the Stock Exchange.

- vii. The result of the voting on the Resolutions at the Meeting will be announced by the Chairman or any other person authorized by him within two days of the AGM.

**By order of Board of Directors**

Sd/-

**Ravi Vishnu**  
**Managing Director**  
**DIN: 01144902**

**Place: Hyderabad**  
**Date: 14.08.2018**

**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE  
FORTHCOMING ANNUAL GENERAL MEETING**

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 of General Meetings]

<b>Name of the Director</b>	Ravi Kasturi
<b>Director Identification Number(DIN)</b>	01936068
<b>Date of Birth</b>	26/11/1962
<b>Date of Appointment</b>	01/04/2015
<b>Qualification</b>	B. Com
<b>Relationship between Directors inter-se</b>	Ravi Vishnu- Husband
<b>Expertise in specific functional area</b>	Finance and General Administration
<b>Directorship in other listed companies</b>	NIL
<b>Membership / Chairmanships of committees of Other Boards (other than this Company)</b>	NIL
<b>Share holding as on 31.03.2018</b>	285800



Venue : Jubilee Hills International Center, Jubilee Hills, Hyderabad.

Landmark : Jubilee Hills Check Post

## DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting the 24th Annual Report together with the Audited Financial Statements for the Financial Year ended 31st March, 2018.

### FINANCIAL RESULTS:

The performance of the Company for the financial year ended 31st March, 2018 is summarized below:

Particulars	(in INR)	
	2017-18	2016-17*
Revenue from Operations	42,69,86,925	31,46,95,785
Other income	31,90,177	24,09,183
Profit Before Interest, Depreciation & Tax	10,32,96,014	7,73,96,976
Interest	64,74,172	18,42,441
Depreciation	94,41,523	84,60,287
Profit before Tax	8,73,80,319	6,70,94,248
Current Tax	1,79,41,432	1,41,80,496
Deferred Tax	(14,95,588)	2,85,158
MAT credit entitlement	-	1,30,39,563
Total Tax Expenses	1,64,45,844	14,26,091
Net Profit/(Loss) for the period after tax	7,09,34,475	6,56,68,157
Number of shares	75,00,000	75,00,000
Earnings per share	9.46	8.76

\*Figures restated are as per Ind AS

*The Company has adopted Indian Accounting Standards (Ind AS) and accordingly, results for the year ended 31st March, 2018 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013. Previous period figures have been restated as per Ind AS to make them comparable.*

### OVERVIEW OF FINANCIAL PERFORMANCE

During the year, your Company achieved a total revenue of Rs. 4301.77 lakhs as against the previous year total revenue of Rs. 3171.04 lakhs, an increase of 35.66 %.

Profit of the Company for the year ended 31.03.2018 is Rs. 709.34 lakhs as against the previous year profit of Rs. 656.68 lakhs, an increase of 8.02%.

During the year under review, there is no change in the nature of the business of the Company. The affairs of the Company are conducted in accordance with the accepted business practices and within the purview of the applicable legislations.

### **OUTLOOK FOR THE CURRENT YEAR**

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 cost low wherever possible.

### **DIVIDEND**

In accordance with the Dividend Distribution Policy adopted by your Board, your Directors recommend payment of Equity Dividend of Rs. 1/- per equity share of 10/- each and such Equity Dividend, upon approval by the Members of the Company at the ensuing Annual General Meeting, shall be payable on the outstanding equity capital as on 22nd September 2018 (being cut off date).

Based on the outstanding paid-up share capital as at the year end, the total dividend payout will amount to Rs.90,42,000/- (incl. Rs. 15,42,000/- of dividend distribution tax). However, the payment is subject to your approval at the ensuing Annual General Meeting of the Company.

### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of the Companies Act, 2013, dividend that remains unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund. As the Company doesn't have such unclaimed dividend for 7 years, hence the clause is not applicable.

However, the Company had declared a dividend in FY2016-17 and the members who have not yet encashed the dividend warrants for the said year are requested to forward their claims to the Company's Registrar and Share Transfer Agent without any further delay. It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

### **MATERIAL CHANGES AND COMMITMENTS**

There were no material changes and commitments affecting the financial position of the Company that have occurred between the end of the Financial Year 2017-18 of the Company and the date of the report.

### **TRANSFER TO RESERVES**

During the year under review, no amount has been transferred to General Reserve.

### **DEPOSITS**

Your Company has not accepted any fixed deposits and as such no principal or interest was out-

standing as on the date of the Balance sheet.

## **ISO CERTIFICATIONS**

### **ISO 9001:2015 Certification**

Your Company continues to hold ISO 9001:2015 Certification by complying with all the requirements of Certification from time to time.

## **SHARE CAPITAL**

There is no change in the Share Capital during the year. The Authorised Share Capital of the Company as on date of Balance Sheet is 10,00,00,000/- divided into 1,00,00,000 equity shares of 10/- each

The paid up share capital of the company as on date of balance sheet is 7,50,00,000/- divided into 75,00,000 equity shares of 10/- each.

## **DETAILS OF CHANGES IN DIRECTORS AND KMP:**

- During the year under review, Wg.Cdr. V.L. Nanda Kumar, Mr. Tayi Krishna Rao, Mr.Ravi Radha Krishna Murthy and Mr. Vikram Doodipala Reddy have tendered their resignations w.e.f 14.08.2017. As on 31.03.2018, the Board comprises of Six (6) directors.
- In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Ravi Kasturi, Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. The Board recommends her re-appointment.

## **BOARD MEETINGS:**

The Board met Five (5) times during the financial year. The meeting details are provided in the corporate governance report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

## **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149**

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149 of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

## **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

All Independent Directors (IDs) inducted into the Board are presented with an overview of the Company's business operations, products, organization structures and about the Board constitution and its procedures. A policy on familiarization program for IDs has also been adopted by the Company. More details are provided in the corporate governance report which forms part of this Annual Report.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement if any, the details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company i.e., [www.cosyn.in](http://www.cosyn.in)

**RISK MANAGEMENT POLICY**

In terms of the requirement of Section 134(3)(n) of the Companies Act, 2013, the Company has developed and implemented the Risk Management Policy. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating risks and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board. The details of the Policy is available on the website of the Company i.e., [www.cosyn.in](http://www.cosyn.in)

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

During the year under review, the Company has invested an amount of Rs. 35,61,815/- in the shares of Cosyn LLC, Texas, USA, its wholly owned subsidiary company in accordance with provisions of Companies Act, 2013. No other Loans / guarantees were provided.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them,

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year 2017-18 and of the profit or loss of the Company for that period;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts for the year 2017-18 have been prepared on a going concern basis;
- v. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- vi. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively;



**INFORMATION ABOUT SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES**

Your Company is the holding company of Cosyn LLC and WelltoDesk Inc. in accordance with the provisions of Section 2 (87) of the Companies Act, 2013. The company has no joint venture/ associate companies.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis as required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is incorporated herein by reference and forms an integral part of this report as Annexure - I.

**EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure - II.

**CORPORATE GOVERNANCE REPORT**

Your Company's philosophy on Corporate Governance sets the goal of achieving the highest level of transparency with integrity in all its dealings with its stakeholders including shareholders, employees, lenders and others. A report on Corporate Governance along with a Certificate from the Practicing Company Secretary regarding the Compliance of Conditions of Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report as Annexure - III.

**RELATED PARTY TRANSACTIONS**

There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

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 Annexure-IV in Form AOC-2 to this report.

The policy on Related Party Transactions as approved by the Board is available on the website of the Company.

**AUDITORS****a) STATUTORY AUDITORS**

The Shareholders of the Company at their 23rd Annual General Meeting held on 29th September, 2017 have appointed M/s. Suryanarayana & Suresh., Chartered Accountants, Hyderabad, (Firm Reg No. 006631S), as Statutory Auditors of the Company for a period of 3 years, subject to ratification by the Members at every Annual General Meeting.

The Board recommends their appointment for ratification at the ensuing Annual General Meeting (AGM). However ratification of appointment of statutory auditors by the members at every AGM is done away with vide notification dated May 7th 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no ratification of appointment of Auditors will be proposed from next AGM.

#### **b) INTERNAL AUDITORS**

The Board of Directors based on the recommendation of the Audit Committee have reappointed M/s. Vittal & Co., Chartered Accountants, as the Internal Auditors of your Company for FY 2018-19. The Internal Auditors have submitted their reports.

#### **C) SECRETARIAL AUDITORS**

The Board has appointed M/s. A.S Ram Kumar & Associates, Company Secretaries in Practice, to carry the Secretarial Audit under the provisions of section 204 of the Companies Act, 2013 for the Financial Year 2017-18. The Report of the Secretarial Auditor is annexed to this report as Annexure - V.

#### **Explanation to Secretarial Auditor's observation:**

#### **AUDITORS REPORT**

The observations made in the Auditors' Report are self explanatory and therefore, do not call for any further comments u/s 134 of the Companies Act, 2013.

#### **COMMENTS ON AUDITOR REPORT**

There are no adverse comments by the Auditor in the Audit Report and hence comments by Board of Directors of the Company on Auditor Report are not required.

#### **PREVENTION OF SEXUAL HARASSMENT POLICY**

The Company's policy on prevention of sexual harassment of women provides for the protection of women employees at the workplace and for prevention and redressal of such complaints. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaint on sexual harassment during the year.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

During the year under review, the provisions of Sec 135 of the Companies Act, 2013 are not applicable to your company.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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.

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 required.

**Foreign Exchange Earnings and Outgo Particulars:**

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
	(Rs.)	(Rs.)
Foreign Exchange Earnings	47,70,947/-	NIL
Foreign Exchange Outgo	35,61,815/-	30,50,513/-

**PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Act and the Rules made there under, in respect of employees of the Company has been disclosed in Annexure - VI.

**INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

**HUMAN RESOURCES**

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company’s vision. Your Company appreciates the spirit of its dedicated employees.

**ACKNOWLEDGMENTS**

Your Directors take this opportunity to express their sincere appreciation to the shareholders, customers, bankers, suppliers and other business associates for the excellent support and cooperation extended by them.

Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments, Stock Exchanges, SEBI, RBI and other Regulatory Bodies.

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 by order of the Board of Directors**

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

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

**Date : 14.08.2018**  
**Place : Hyderabad**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Cosyn Limited, your company, has put up another good performance for the Financial Year 2017-18. Your company leveraging on its core strength in the Power, e-Governance, Human Resource and cloud computing segments has been aggressively exploring for new opportunities in National and International markets while continuously adding value to the existing clients.

The utility landscape is going through a transformative change. Utilities are increasingly implementing smart technologies and, with tightening budgets, they are looking to maximize their investments. Within that context, smart grid technologies are providing utilities with more data than ever before, which can sometimes be overwhelming. That's why the utilization of meter data management (MDM) software is quickly becoming essential to processing and analyzing that data. Currently, the majority of utilities are using MDM to process data for automated billing. However, as utilities look to get more from their data, they'll be turning to MDM to provide value-based analytics that drive outcome-based solutions and actionable insights, such as revenue assurance and leakages. Cosyn Limited with its rich experience is in ideal position to deliver the required analytical service and data mining to encash the emerging opportunity.

Your company continues to share its expertise in Utility Billing for Water and Electricity consumers forging partnerships with potential partner primarily in the Gulf Region. The relationship established with local partner in Oman has been fruitful and has lead to increase in the services offered to the Clients.

The HR software and platforms are reinventing themselves. In recent years there has been a disruptive change in the HR software industry. Cloud computing has become the order of the day and has been well established. Companies after initial resistance have understood that since cloud is the future, started accepting it with gusto. As the demand to conserve cash is increasing and as the need to simplify and improve employee experience is growing, more and more companies, especially in the SME segment are adopting for Time and Attendance Management System based on cloud computing with the state of the art features including facial recognition and geographic location based services. Your company having recognized this opportunity has designed and developed the premium Product "timeFrank" to cater to the emerging market needs and is also been promoted widely. The initial response from the market is encouraging and your company has already bagged a few clients in the recent past. In coming months, your company expects that "timeFrank" will contribute a good share in boosting the revenues in coming year.

Cosyn Limited continues to lay emphasis on quality and is certified for ISO 9001-2015, ISO 20000-1 and ISO 27001 certifications related to the Software Development, IT BPO Services, Data Management Services and Infrastructure Management.



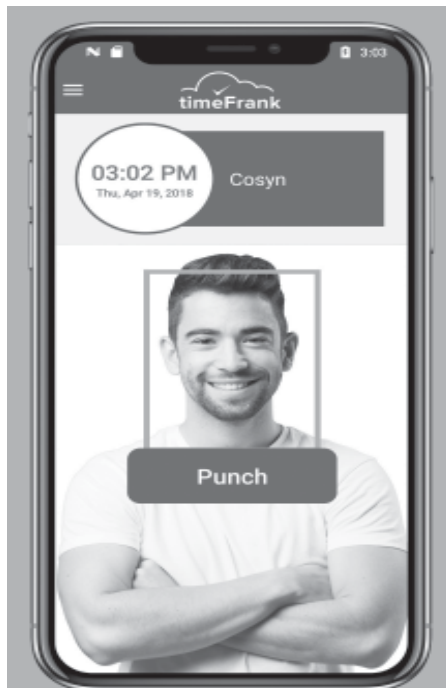
With focus on using technology as an enabler in increasing office productivity, COSYN has launched an IT application called timeFrank. timeFrank is a time and attendance application, which is tailor made to address the needs of national and international markets across all the verticals including Education, Manufacturing, Health, IT, Sales, etc. timeFrank uses state-of-the-art technologies including cloud computing, facial biometrics and geographic information systems providing customers a hassle free, hardware agnostic, seamless end to end experience from capturing attendance to payroll generation.

timeFrank's advanced features such as facial recognition, geo-fencing, geo-location and multi modal attendance logging mechanisms empowers organizations to streamline their HR processes. timeFrank, a solution offered over a mobile platform using the cloud technology, facilitates the employee attendance capturing across the branches of the offices spread over different geographies and time zones. It enables the HR Managers and the Management to have online consolidated and transparent dashboards for instantaneous decision making and for planning of the revenue outflow.

The Key features of the timeFrank application include

◆ **Facial Recognition**

timeFrank uses facial recognition integrated with artificial intelligence to capture employee attendance ensuring high accuracy.

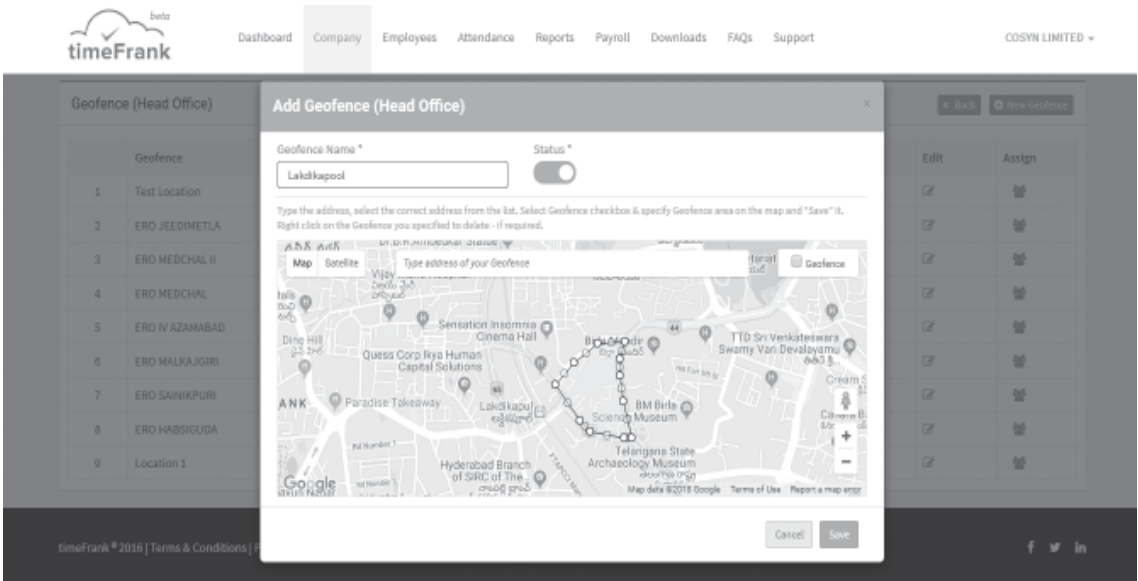


◆ **Geo-Location**

This feature helps Organization to capture and audit the location data of employees who work from remote location.

◆ **Geo-Fencing**

With Geo-fencing Organization can assign specific locations to their remote employees and restrict them to punch in their attendance only from the assigned location.



◆ **Shift-Scheduling**

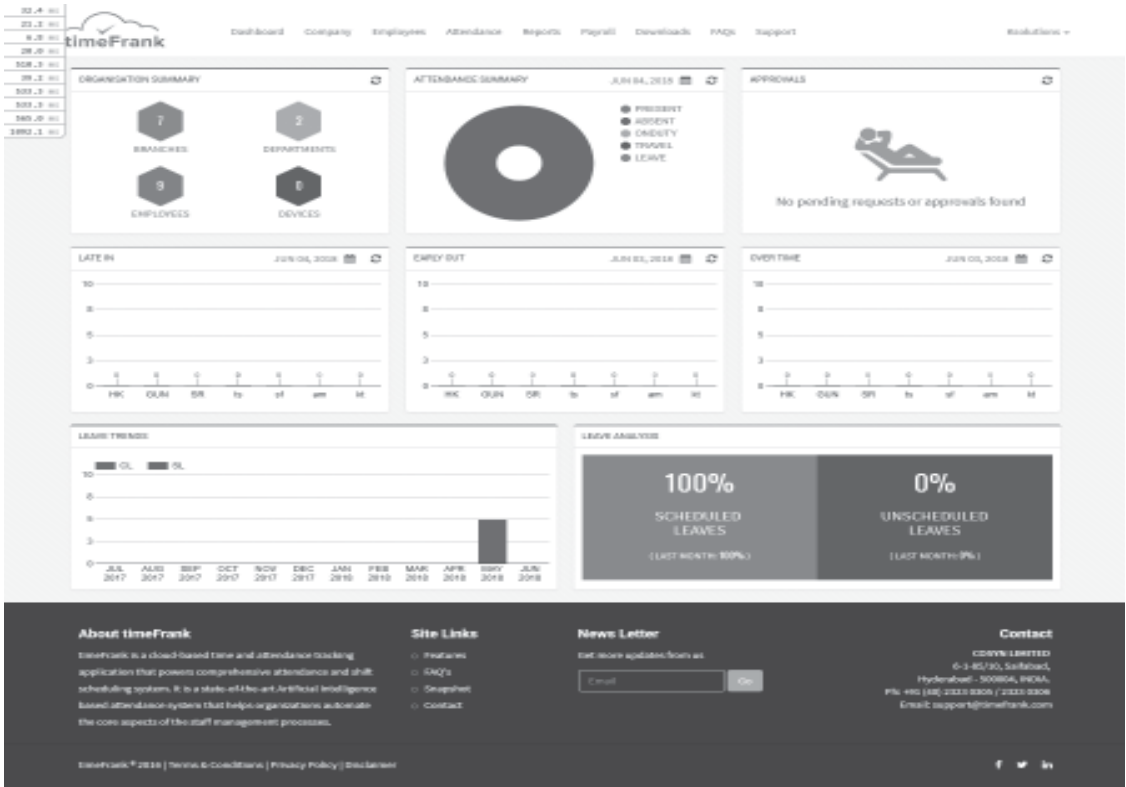
As organizations now do business on a 24/7 mode, with shift scheduling tool, they can assign shifts to their employee making sure the employee comes only in the assigned shift.

◆ **Multi-Location**

With companies now growing and expanding globally at a higher pace than ever, timeFrank can be implemented at all their remote locations without additional infrastructure and setup cost.

◆ **Staff attendance on Cloud**

timeFrank uses cloud infrastructure for it’s computing power and data storage. This makes sure that client does not incur any addition infrastructure cost and can access/view their data from anywhere in the world.



◆ **Payroll**

Employee payroll generation process has been simplified and streamlined by timeFrank. It also gets integrated with employee time and attendance data automatically eliminating any human error in data integration and collaboration.

◆ **Data Security & Data Privacy**

timeFrank uses the trusted Microsoft Azure services for data storage and cloud computing, ensuring that client data is completely secure and private using the most advanced security measures enabled by the Microsoft.

◆ **Realtime Reporting**

With the use of cloud technology timeFrank provides real-time access for the authorized Managers to view and manage the employee data.

◆ **QR and PIN**

Apart from facial reorganization mode, time Frank provides diverse attendance capturing mechanisms including Pin number, QR code and online punching based on the requirements of the organization.

◆ **Mobile App**

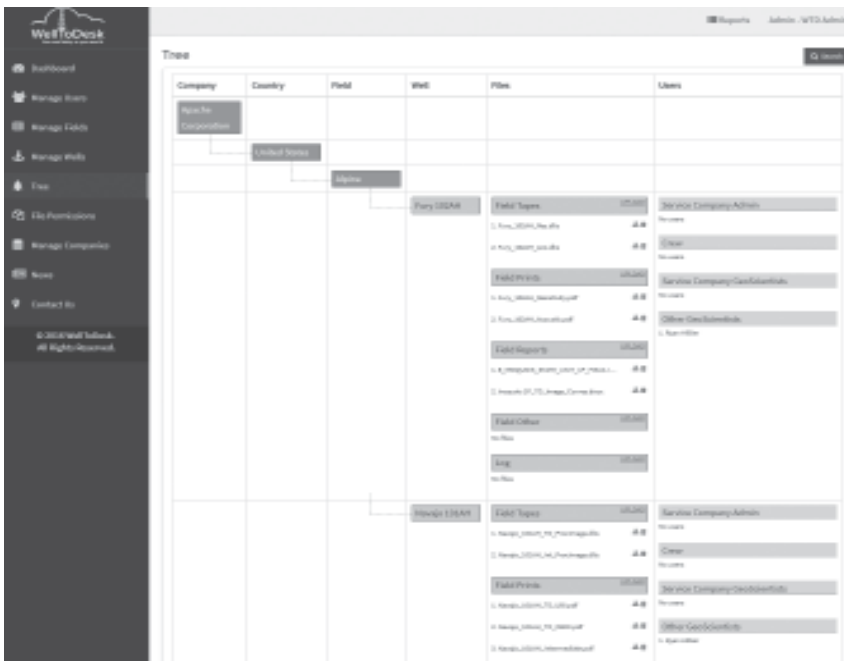
timeFrank is a mobile application and can run on all the smart phone models currently available in the market. It is deployable on both Android and iOS platforms.



COSYN has launched timeFrank in the Indian market recently. A few initial clients have already been on boarded and the revenues have started trickling in. With more customers showing interest in timeFrank, COSYN is confident that in the coming year there will be significant revenue generated from this product.



Your company has been exploring the opportunities of providing information technology services to the cash rich oil and gas vertical. Based on the market survey and analyzing the pain points of the industry, Cosyn developed the cloud based portal named 'WELLTODESK' for storing the well data of the oil fields and for accessing it over the cloud by the authorized stake holders.



The portal enables the well logging and oil field development companies to focus on their core activities leaving the data storage and analytics to the experts. WELLTODESK enables the oil companies to provide access to the logs for interpretation to experts located across the globe on a 24/7 basis. This feature not only speeds up the logging activities but also saves lots of cost to oil companies as the services of the experts can be used on only demand basis. In addition to providing archival and retrieval file distribution services, WELLTODESK also provides Well Digitization, Field Tape Recovery and Image Log Processing in a secured manner.

Cosyn Limited has introduced the product in American markets through participation in technical workshops and exhibitions. There has been a good response for the product from several oil and gas companies. Customization to potential clients tailor made needs is in process. With a slump in global oil prices, many clients have deferred the procurement of the portal. Your company expects that the product will be in good demand as the oil prices pick up in the coming years.

## **UTILITY BILLING SERVICES**

Cosyn Limited, continues to take giant strides in the utility billing segment. With in-house turnkey expertise in application development, deployment and field level data collection on mega scale, your company is now rated as one of the pioneers in utility billing domain. Cosyn has in the past executed data collection and database management in diverse facets of utility billing including electricity billing, water billing, gas billing and also the telecom billing. Currently your company is providing billing services close to five million electricity consumers across the country in various Electricity Distribution Companies and in the coming year the quantum of services is bound to grow substantially keeping in view the market consolidation.

Your company continues to share its expertise with the local partner in Oman for executing the Electricity and water utility billing projects. Cosyn Limited continues to provide database management, web services and data analytics deploying cloud computing technologies over the mobile platform.

Electricity billing in the recent past has been witnessing rapid changes keeping in pace with the technological development. Distribution Companies are focusing more on arresting the energy losses and in increasing the revenues. New processes involving downloading of the meter data through optical ports eliminating manual errors is becoming de facto process of meter reading. In addition, in line with the goal of increasing revenues, electricity companies are slowly introducing 'Time of the Day' billing, charging higher tariffs for consumers using power in peak times of the day. Your company is developing expertise in these segments and is well prepared to encash the opportunities that will be presented by the markets in the coming year.

### **Discussion on Current year's performance**

During the year, your Company achieved a total revenue of Rs. 4301.77 lakhs as against the previous year total revenue of Rs. 3171.04 lakhs, an increase of 35.66 %.

Profit of the Company for the year ended 31.03.2018 is Rs. 709.34 lakhs as against the previous year profit of Rs. 656.68 lakhs, an increase of 8.02%.

The Earning per share (EPS) of the Company as on 31.03.2018 was Rs. 9.46 as against Re.8.76 in the previous year.

### **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 cost low wherever possible.

### **Cautionary Statement**

Statements in the management discussion and analysis describing the Company's objectives, projections, estimates, expectations may be considered to be forward looking statements and actual results could differ materially from those expressed or implied. Factors which could make a significant difference to the Company's operations include demand supply conditions, market prices, input component costs and availability, changes in government regulations and tax laws besides other factors such as litigation, over which the Company may not have any control.

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**COSYN LIMITED**

**as on the financial year ended on 31.03.2018**

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

I.	REGISTRATION AND OTHER DETAILS	
i)	CIN	L72200TG1994PLC017415
ii)	Registration Date	25-04-1994
iii)	Name of the Company	COSYN LIMITED
iv)	Category / Sub-Category of the Company	Limited by shares, Indian Non Government Company
v)	Address of the registered Office and Contact Details	6-1-85/10, Opp. Telephone Bhavan, Saifabad, Hyderabad Telangana- 500004 Phone: 040-23230305/6, Email id: comsec@cosyn.in Website: www.cosyn.in
vi)	Whether listed company	Yes, Listed on Bombay Stock Exchange Limited (BSE)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company are as follows:

Sl.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 AND ASSOCIATE COMPANIES**

S.No.	Name And Address Of The Company	CIN/GLN	Holding/Subsidiary /Associate	% Of Shares Held	Applicable Section
1	Cosyn LLC	802278211	Subsidiary	100	2(87)
2	WelltoDesk	802581559	Subsidiary	70.34	2(87)

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

<b>(i) Category-wise Share Holding</b>										
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</b>										
<b>(1) Indian</b>										
a) Individual/ HUF	3879785	0	3879785	51.73	3842235	0	3842235	51.23	-0.97	
b) Central Govt	-	-	-	-	-	-	-	-	-	
c) State Govt(s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corp.	468460	0	468460	6.25	468460	0	468460	6.25	0.00	
e) Banks / FI	-	-	-	-	-	-	-	-	-	
f) Any other	-	-	-	-	-	-	-	-	-	
Sub Total (A) (1)	4348245	0	4348245	57.98	4310695	0	4310695	57.48	-0.86	
<b>(2) Foreign</b>										
a) NRI Individuals	-	-	-	-	-	-	-	-	-	
b) Other Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	
d) Any other	-	-	-	-	-	-	-	-	-	
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-	
<b>TOTAL (A)= (A) (1) + (A) (2)</b>	<b>4348245</b>	<b>0</b>	<b>4348245</b>	<b>57.98</b>	<b>4310695</b>	<b>0</b>	<b>4310695</b>	<b>57.48</b>	<b>-0.86</b>	
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	
b) Banks / FI	-	-	-	-	-	-	-	-	-	

c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds									
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-					-
h) Foreign Venture Capital Funds									
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	190432	6700	197132	2.63	137978	6700	144678	1.93	-26.61
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-		-					
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1875237	133841	2009078	26.79	2046722	140741	2187463	29.17	8.88
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	687494	99000	786494	10.49	635347	70000	705347	9.40	-10.32
c) Others	-	-	-	-	-	-	-	-	-
Bodies corporate	-	-	-	-	-	-	-	-	-
Clearing member	-	-	-	-	-	-	-	-	-
Non-resident Indians (NRI)	-	-	-	-	-	-	-	-	-
Non Repatriable	17506	0	17506	0.23	27735	0	27735	0.37	58.43
Repatriable	87545	54000	141545	1.89	105082	19000	124082	1.65	-12.34
Trusts	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	2858214	293541	3151755	42.02	2952864	236441	3189305	42.52	-45.12
Total Public (B)	2858214	293541	3151755	42.02	2952864	236441	3189305	42.52	1.19
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	7206459	293541	7500000	100.00	7263559	236441	7500000	100.00	0.00

**ii) Shareholding of Promoters /Promoters Group**

Sl. No	Shareholder's	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	850539	11.34	-	850539	11.34	-	-
2	R Radha Krishna Murthy	541100	7.21	-	541100	7.21	-	-
3	D Vikram Reddy	740500	9.87	-	740500	9.87	-	-
4	Ravi Vishnu (HUF)	270850	3.61	-	270850	3.61	-	-
5	R Seetha	258731	3.45	-	8731	0.12	-	-96.63
6	A Bhopal Reddy	477000	6.36	-	446725	5.95	-	-6.35
7	R Radha Krishna Murthy (HUF)	158400	2.11	-	158400	2.11	-	-
8	Granada Engineers limited	145000	1.93	-	145000	1.93	-	-
9	Ravi Kasturi	285800	3.81	-	285800	3.81	-	-
10	RRK Enterprise Private Limited	323460	4.31	-	323460	4.31	-	-
11	A Srinivasa Rao	7515	0.10	-	7515	0.10	-	-
12	Ravi Anand Kumar	83750	1.12	-	83750	1.12	-	-
13	Ravi Aiswarya	75000	1.00	-	325000	4.33	-	333.33
14	B Triveni	130600	1.74	-	123325	1.64	-	-5.57
	<b>Total</b>	<b>4348245</b>	<b>57.98</b>		<b>4310695</b>	<b>57.48</b>		<b>-0.86</b>

**(iii) Change in Promoters/Promoters Group Shareholding**

Sl. No.	Particulars	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	850539	11.34	850539	11.34
	Sold during the year	-	-	-	-
	Brought during the year	-	-	-	-
	At the End of the year	850539	11.34	850539	11.34
<b>2</b>	<b>R Radha Krishna Murthy</b>				
	At the beginning of the year	541100	7.21	541100	7.21
	Sold during the year	-	-	-	-
	Brought during the year	-	-	-	-
	At the End of the year	541100	7.21	541100	7.21

<b>3</b>	<b>D Vikram Reddy</b>				
	At the beginning of the year	740500	9.87	740500	9.87
	Sold during the year	-	-	-	-
	Brought during the year	-	-	-	-
	At the End of the year	740500	9.87	740500	9.87
<b>4</b>	<b>Ravi Vishnu (HUF)</b>				
	At the beginning of the year	270850	3.61	270850	3.61
	Sold during the year	-	-	-	-
	Brought during the year	-	-	-	-
	At the End of the year	270850	3.61	270850	3.61
<b>5</b>	<b>R Seetha</b>				
	At the beginning of the year	258731	3.45	258731	3.45
	Sold during the year	250,000	3.33	8731	0.12
	Brought during the year	-	-	-	-
	At the End of the year	8731	0.12	8731	0.12
<b>6</b>	<b>A Bhopal Reddy</b>				
	At the beginning of the year	477000	6.36	477000	6.36
	Sold during the year	30275	0.40	446725	5.95
	Brought during the year	-	-	-	-
	At the End of the year	446725	5.95	446725	5.95
<b>7</b>	<b>R Radha Krishna Murthy (HUF)</b>				
	At the beginning of the year	158400	2.11	158400	2.11
	Sold during the year	-	-	-	-
	Brought during the year	-	-	-	-
	At the End of the year	158400	2.11	158400	2.11
<b>8</b>	<b>Granada Engineers limited</b>				
	At the beginning of the year	145000	1.93	145000	1.93
	Sold during the year	-	-	-	-
	Brought during the year	-	-	-	-
	At the End of the year	145000	1.93	145000	1.93
<b>9</b>	<b>Ravi Kasturi</b>				
	At the beginning of the year	285800	3.81	285800	3.81
	Sold during the year	-	-	-	-
	Brought during the year	-	-	-	-
	At the End of the year	285800	3.81	285800	3.81
<b>10</b>	<b>RRK Enterprise Private Limited</b>				
	At the beginning of the year	323460	4.31	323460	4.31
	Sold during the year	-	-	-	-
	Brought during the year	-	-	-	-
	At the End of the year	323460	4.31	323460	4.31
<b>11</b>	<b>A Srinivasa Rao</b>				
	At the beginning of the year	7515	0.10	7515	0.10

Sold during the year	-	-	-	-
Brought during the year	-	-	-	-
At the End of the year	7515	0.10	7515	0.10
<b>12 Ravi Anand Kumar</b>				
At the beginning of the year	83750	1.12	83750	1.12
Sold during the year	-	-	-	-
Brought during the year	-	-	-	-
At the End of the year	83750	1.12	83750	1.12
<b>13 Ravi Aiswarya</b>				
At the beginning of the year	75000	1.00	75000	1.00
Sold during the year	-	-	-	-
Brought during the year	250000	3.33	325000	4.33
At the End of the year	325000	4.33	325000	4.33
<b>14 B Triveni</b>				
At the beginning of the year	130600	1.74	130600	1.74
Sold during the year	7275	0.10	123325	1.64
Brought during the year	-	-	-	-
At the End of the year	123325	1.64	123325	1.64

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

Particulars	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
Kumara Swamy Sanga	14000	0.19	50650	0.68
Ravi Patel	50000	0.67	50000	0.67
Dia Properties LLP	5000	0.07	47500	0.63
Purushothaman Sasidhar	0	0.00	42100	0.56
Konda Sanjay Reddy	40000	0.53	40000	0.53
Rajendra Naniwadekar	36548	0.49	34737	0.46
M Sarvothama Reddy	51780	0.69	34230	0.46
Purshottamdas Maru	500	0.01	29541	0.39
Naveen Kumar Boorgu	0	0	29000	0.39
Vishal Chhowala	30000	0.40	25000	0.33
<b>Total</b>	<b>227828</b>	<b>3.04</b>	<b>382758</b>	<b>5.10</b>



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

Sl. No.	Particulars	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>VISHNU RAVI</b>				
	At the beginning of the year	850539	11.34	850539	11.34
	Sold during the year	0	0	0	0
	Brought during the year	0	0	0	0
	At the End of the year	850539	11.34	850539	11.34
<b>2</b>	<b>ARUVA BHOPAL REDDY</b>				
	At the beginning of the year	477000	6.36	477000	6.36
	Sold during the year	30275	0.40	446725	5.95
	Brought during the year	0	0	0	0
	At the End of the year	446725	5.95	446725	5.95
<b>3</b>	<b>RAVI KASTURI</b>				
	At the beginning of the year	285800	3.81	285800	3.81
	Sold during the year	0	0	0	0
	Brought during the year	0	0	0	0
	At the End of the year	285800	3.81	285800	3.81
<b>4</b>	<b>SIVARAMA KRISHNAMURTHY VANKINENI</b>				
	At the beginning of the year	0	0	0	0
	Sold during the year	0	0	0	0
	Brought during the year	0	0	0	0
	At the End of the year	0	0	0	0
<b>5</b>	<b>VENKATA RAO POTLURI</b>				
	At the beginning of the year	0	0	0	0
	Sold during the year	0	0	0	0
	Brought during the year	0	0	0	0
	At the End of the year	0	0	0	0
<b>6</b>	<b>RAMA RAO KARUMANCHI</b>				
	At the beginning of the year	0	0	0	0
	Brought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the End of the year	0	0	0	0
<b>7</b>	<b>ARAVIND AITIPAMULA</b>				
	At the beginning of the year	0	0	0	0
	Brought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the End of the year	0	0	0	0
<b>8</b>	<b>KADARI RAGHUPATHI RAO</b>				
	At the beginning of the year	0	0	0	0
	Brought during the year	0	0	0	0
	Sold during the year	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)

(Amount in Rs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0.00	84,53,686	0.00	84,53,686
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	84,53,686	0.00	84,53,686
Change in Indebtedness during the financial year				
*Addition	2,73,10,821	1,68,85,000	0.00	4,41,95,821
*Reduction	0.00	(84,23,702)	0.00	(84,23,702)
Net Change	2,73,10,821	84,61,298	0.00	3,57,72,119
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,73,10,821	1,69,14,984	0.00	4,42,25,805
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>2,73,10,821</b>	<b>1,69,14,984</b>	<b>0.00</b>	<b>4,42,25,805</b>

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

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(In Rupees)

Sl. No.	Particulars of Remuneration	Vishnu Ravi MD	Aruva Bhopal Reddy-WTD	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	52,80,000	40,80,000	93,60,000
	(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	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit			
	- others, specify...	Nil	Nil	Nil
5.	Others, please specify	1,94,912	26,167	2,21,079
	<b>Total(A)</b>	<b>54,85,532</b>	<b>41,16,787</b>	<b>96,02,319</b>

**B. Remuneration to other directors:**

(In Rupees)

Sl. No.	Particulars of Remuneration	Ravi Kasturi	Sivarama Krishnamurthy Vankineni	Venkata Rao Potluri	Rama Rao Karumanchi	Total Amount Rs
1	Independent Directors					
	Fee for attending board committee meetings	NA	10,000	8,000	10,000	28,000
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify: Conveyance fees	Nil	10,000	8,000	10,000	28,000
	Total (1)	Nil	20,000	16,000	20,000	56,000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	10,000	Nil	Nil	Nil	10,000
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify: Conveyance fees	10,000	Nil	Nil	Nil	10,000
	Total (2)	20,000	Nil	Nil	Nil	20,000
	Total (B)=(1+2)	20,000	20,000	16,000	20,000	76,000
	Total Managerial Remuneration(A+B)					<b>96,78,319</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

(In Rupees)

S.No	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary	1,71,012	4,26,000	5,97,012
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(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	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission as % of profit	Nil	Nil	Nil
5	Others, please specify	Nil	21,260	21,260
	<b>TOTAL</b>	<b>1,71,012</b>	<b>4,47,260</b>	<b>6,18,272</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL**

**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)

**Date: 14.08.2018**

**Place: Hyderabad**

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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 as it is inherent responsibility to disclose timely and accurate information regarding the financials and performance as well as governance. A report on Corporate Governance as required by the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is as under:

### 2. BOARD OF DIRECTORS

The composition of Board is in consonance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has an Executive Chairman and the Company has optimum combination of Executive and Non-Executive Directors. About two thirds of the Board of Directors are Non-Executive Directors. Half of the Board comprises of Independent Directors.

All the Directors of the Company have made necessary declarations/disclosures regarding their other directorships along with Committee positions held by them in companies.

During the Financial Year 2017-18, the Board met on Five (5) occasions i.e., 30.05.2017; 14.08.2017; 14.09.2017; 14.12.2017 and 09.02.2018. The gap between any two meetings is not more than 120 days.

#### a) Composition and category of Directors

Name of the Directors	category	No. of Board Meeting during the year 2017-18		Whether attended last AGM	No. of Director ships in all other companies	No. of Committee positions		Number of Shares held
		Held	Attend			Held	Chairman	
Vishnu Ravi	Promoter – Executive Director	5	5	YES	4	NIL	1	850539
Aruva Bhopal Reddy	Promoter – Executive Director	5	5	YES	1	NIL	1	446725
Ravi Kasturi	Promoter- Non-executive Director	5	5	YES	3	NIL	1	285800
Sivarama Krishnamurthy Vankeneeni	Independent Non-Executive Director	5	5	YES	2	1	NIL	NIL
Venkata Rao Potluri	Independent Non-Executive Director	5	4	NO	2	1	1	NIL

Rama Rao Karumanchi	Independent Non-Executive Director	5	5	YES	1	1	1	NIL
Wg.Cdr. V.L. Nanda Kumar*	Independent Non-Executive Director	2	2	NO	NIL	NIL	NIL	NIL
Tayi Krishna Rao*	Independent Non-Executive Director	2	2	NO	NIL	NIL	NIL	NIL
Ravi Radha Krishna Murthy*	Non-Executive Director	2	2	NO	NIL	NIL	NIL	541100
Vikram Doodipala Reddy*	Independent Non-Executive Director	2	0	NO	NIL	NIL	NIL	740500

\*resigned with effect from 14.08.2017.

\*Directorship includes both public and private companies including Section 8 Companies but excluding Foreign Companies.

During the year under review, Wg.Cdr. V.L. Nanda Kumar (DIN 01822434), Sri. Tayi Krishna Rao (DIN 01806780), Sri. Ravi Radha Krishna Murthy (DIN 02058837) and Sri. Vikram Doodipala Reddy (DIN 01356778) tendered their resignations for the office of Directorship and the Board approved the said resignations with effect from 14th August, 2017.

**b) Disclosure of relationship between Directors inter-se**

Out of all the Directors, two directors are related to each other viz., Vishnu Ravi and Ravi Kasturi. None of the other Directors are related with each other.

**c) Details of Familiarization Programmes Imparted to Independent Directors**

The Company has adopted a structured programme for orientation of Independent Directors at the time of their joining so as to familiarize them with the Company’s operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The Company updates the Board Members on a continuing basis on any significant changes therein and provides them an insight to their expected roles and the responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company.

The details of familiarization programmes held for the Independent Directors is provided on the Company’s website i.e., [www.cosyn.in](http://www.cosyn.in)

**List of Independent Directors**

1. Sivarama Krishnamurthy Vankineni
2. Venkata Rao Potluri
3. Rama Rao Karumanchi

### **Criteria of Independence of Independent Directors:**

Independent Directors have furnished a declaration that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Meeting of Independent Directors**

In Compliance with the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Independent Directors Meeting of the Company was held on 09.02.2018 and all the Independent Directors have attended the meeting. Independent Directors at their meeting considered the performance of Non-Independent Directors and Board as whole, reviewed the performance of Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

## **3. AUDIT COMMITTEE**

### **a) Brief description of terms of reference**

In compliance with the requirements of the Companies Act, 2013 and of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had constituted an Audit Committee with the functions and roles including but not limited to the following:

- ◆ Overseeing the Company's financial report process and the disclosure of its financial information.
- ◆ To review quarterly, half yearly and Annual Financial results before submission to the Board.
- ◆ To review the statement of significant related party transactions submitted by management.
- ◆ To review the adequacy of internal control systems with the management, external & internal auditors.
- ◆ Discussion with external auditors about the nature and scope of audit including their observation.
- ◆ To investigate into any matter referred to by the Board.

### **b) Composition of the Committee**

During the year under review, the Committee was reconstituted with Mr. Rama Rao Karumanchi, Independent Director as Chairman, Mr. Venkata Rao Potluri, Independent Director and Mr. Ravi Vishnu, Executive Director as members of the Committee.

### **c) No. of meetings held and attendance of the meetings**

The Audit Committee of the Company constituted under the act has met four (4) times during the year i.e., on 30.05.2017; 14.09.2017; 14.12.2017 and 09.02.2018.

Name of the Director	Meetings held during the tenure of the Directors	Meetings attended
Wg.Cdr. V.L. Nanda Kumar	1	1
Rama Rao Karumanchi	3	3
T Krishna Rao	1	1
Venkata Rao Potluri	3	2
Ravi Kasturi	1	1
Ravi Vishnu	2	2

#### 4. NOMINATION AND REMUNERATION COMMITTEE

##### a) Brief description of terms of reference

In compliance with the requirements of the Companies Act, 2013 and of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had constituted a Remuneration Committee with the functions and roles including but not limited to the following:

- ◆ To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- ◆ Formulate criteria for evaluation of Independent Directors and the Board.
- ◆ Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- ◆ To carry out evaluation of every Director’s performance.
- ◆ To recommend to the Board the appointment and removal of Directors and Senior Management.
- ◆ To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- ◆ Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- ◆ To devise a policy on Board diversity.
- ◆ To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

- ◆ To perform such other functions as may be necessary or appropriate for the performance of its duties.

**b) Composition of the Committee**

During the year under review, the Committee was reconstituted with Mr. Venkata Rao Potluri, Independent Director as Chairman, Mr. Rama Rao Karumanchi, Independent Director and Mrs. Ravi Kasturi, Promoter Non-Executive Director as members of the Committee.

**c) No. of meetings held and attendance of the meetings**

During the year under review, the Committee met one time i.e., on 30.05.2017 and all the members of the Committee were present in the meeting.

**d) Performance evaluation**

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the Listing Regulations, the Annual Performance Evaluation was carried out for the financial year 2017-18. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

**Nomination and Remuneration Policy**

In accordance with Section 178 of the Act, the Committee has framed a Nomination and Remuneration Policy and all the appointments and payment of remunerations are in accordance with the policy.

**5. DETAILS OF REMUNERATION PAID TO DIRECTORS DURING 2017-18**

Sl. No.	Name of the director	Category	Sitting Fees (including conveyance fees)	Salary perquisites	Commission	Total
1	Vishnu Ravi	Executive Director	NIL	54,85,532	0	54,85,532
2	Aruva Bhopal Reddy	Executive Director	NIL	41,16,787	0	41,16,787
3	Ravi Kasturi	Non-Executive Director	20,000	0	0	20,000
4	Sivarama Krishnamurthy Vankineni	Independent Director	20,000	0	0	20,000
5	Venkata Rao Potluri	Independent Director	16,000	0	0	16,000
6	Rama Rao Karumanchi	Independent Director	20,000	0	0	20,000

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE**

**a) Brief description**

The Stakeholders Relationship Committee shall consider and resolve the grievances of various security holders of the Company. It shall specifically look into the redressal of stakeholders/investors complaints in a timely and proper manner.



**b) Composition of the Committee**

During the year under review, The Committee was reconstituted with Mr. V. Sivaramakrishna Murthy, Independent Director as Chairman, Mr. Rama Rao Karumanchi, Independent Director and Mr. A. Bhopal Reddy, Executive Director as members of the Committee.

c) Details of shareholders' requests/complaints received and resolved during the year ended 31.3.2018 are as under: NIL

**7. GENERAL BODY MEETINGS**

**a) Location and time of last Three AGM's held:**

Year	Location	Date	Time
2014-15	Jubilee Hills International Center, Jubilee Hills, Hyderabad 500 033	Wednesday, the 30th day of September 2015	10.00 am
2015-16	Jubilee Hills International Center, Jubilee Hills, Hyderabad 500 033	Thursday, the 29th day of September, 2016	10.00 am
2016-17	Jubilee Hills International Center, Jubilee Hills, Hyderabad 500 033	Friday, the 29th day of September, 2017	10.00 am

**b) Special Resolutions passed in previous Three Annual General Meetings:**

Year of AGM	Details
2014-15	a) Re-appointment of Mr. Ravi Vishnu as Managing Director of the Company for a period of five years w.e.f 15th January 2015;
	b) Authorization to borrow in excess of paid up capital and free reserves of the Company;
	c) Authorization to create charge or hypothecation on moveable or immoveable properties of the Company to secure the borrowings of the Company.
2015-16	a) Approval of Cosyn Limited Employee Stock Option Plan 2016 and grant of Employee Stock Options to the employees of the Company.
	b) Grant of Employee Stock Options to the employees of the Subsidiary Company (ies) of the Company under CL ESOP 2016
2016-17	a) Increase in the remuneration structure of Mr. Ravi Vishnu, Managing Director of the Company;
	b) Increase in the remuneration structure of Mr. Aruva Bhopal Reddy, Whole time Director of the Company;
	c) Authority to borrow in excess of the paid up capital and reserves;
	d) Authority to create mortgages, charges and hypothecations.

**c) Details of Postal Ballot Resolutions passed during the year 2017-18:**

During the last year, no resolution(s) was passed through postal ballot.

**8. MEANS OF COMMUNICATION**

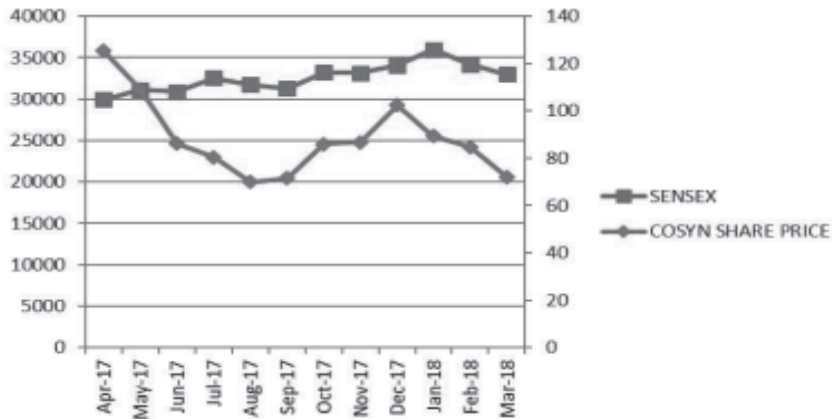
Sl. No	Description	Remarks
1	Quarterly results	The quarterly and half-yearly unaudited/audited financial results are informed to Bombay Stock Exchange as prescribed under SEBI(LODR) Regulations
2	Newspapers wherein results	Nava Telangana/ Mana Telangana (Telugu) and Business Standard (English)
3	Website	www.cosyn.in
4	Whether it also displays official news releases	NA
5	Presentations made to institutional investors or to analysts	NA

**9. GENERAL SHAREHOLDERS' INFORMATION**

Sl. No	Description	Details
i.	Date, time and Venue of AGM	Date: 29.09.2018
		Time: 10.00 AM
		Venue: Jubilee Hills International Center, Jubilee Hills, Hyderabad – 500 033
ii.	Financial Year	1st April, 2018 to 31st March, 2019
iii.	Results for the quarter ending 30th, June 2018 30th September, 2018 31st December, 2018 31st March, 2019	14th August, 2018 On or before 14th November, 2018 On or before 14th February, 2019 On or before 30th May, 2019
iv.	Dividend payment date	Board of Directors has recommended a dividend of Rs. 1/- (10%) Per Equity share of Rs. 10/- each fully paid for the financial year 2017-18. On approval of the shareholders, the dividend will be paid on or before 30 days from date of AGM
v.	Dates of book closure	23/09/2018 to 29/09/2018 (both days inclusive)
vi.	Name and address of Stock Exchange(s) at which the equity shares are listed and confirmation about payment of annual listing fee to each of such Stock Exchanges.	Bombay Stock Exchange limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001. The listing fee for the year 2018-19 has been paid to the Stock Exchange.
vii.	Stock Code	BSE Security Code: 538922 Security ID : COSYN ISIN : INE029B01019

<b>Vii. Market Price Data: High / Low / Close During each month in the last Financial Year:</b>			
<b>Month</b>	<b>BSE (Rs.)</b>		
	<b>High</b>	<b>Low</b>	<b>Close</b>
April-2017	157.80	124.10	125.35
May-2017	134.85	83.60	109.10
June-2017	111.00	72.00	86.25
July-2017	96.50	78.30	80.45
August -2017	83.90	69.30	70.05
September-2017	98.70	66.40	71.60
October-2017	96.00	70.10	85.90
November-2017	94.00	79.00	86.85
December-2017	110.45	79.00	102.45
January-2018	112.95	88.25	89.40
February-2018	99.00	71.40	84.85
March-2018	86.70	66.60	72.15

**viii. Relative Performance of Cosyn Share Price V/S. BSE Sensex:**



**ix.** Registrar to the issue and share transfer agents

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

x. Share Transfer System	Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects.
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**xi. Shareholding Pattern of the Company as on 31st March 2018:**

S. No	Category	No. of Shares	% of Shareholding
1.	Promoters	43,10,695	57.48
2.	Mutual Funds and UTI	0	0.00
3.	Banks, Financial Institution, Insurance Companies	0	0.00
4.	Private Corporate Bodies	0	0.00
5.	Indian Public	30,37,488	40.49
6.	NRIs/OCBs	1,51,817	2.03
	<b>TOTAL</b>	<b>75,00,000</b>	<b>100.00</b>

**xii. Distribution of shareholding:**

Shareholding of nominal value of (Rs.)	No. of share holders	% of share holders	Amount (in Rs.)	% of Equity
Up to 5,000	4,398	80.96	70,35,690	9.38
5,001-10,000	507	9.33	40,86,090	5.45
10,001-20,000	264	4.86	40,11,010	5.35
20,001-30,000	97	1.79	24,82,950	3.31
30,001-40,000	39	0.72	13,61,590	1.82
40,001-50,000	24	0.44	11,52,530	1.54
50,001-100,000	57	1.05	42,36,850	5.65
100,001 & above	46	0.85	5,06,33,290	67.51
Total	5432	100.00	7,50,00,000	100.00

**xiii. Dematerialization of shares and liquidity as on 31.03.2018:**

Sl.No	Description	No. of Share holders	No. of Shares	% of Equity
1	Physical	493	2,36,441	3.15
2	NSDL	2,630	55,60,692	74.15
3	CDSL	2,309	17,02,867	22.70
	Total	5,432	75,00,000	100.00

xiv.	Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:	NIL
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xv.	Commodity Price Risk or Foreign Exchange Risk and hedging activities	NA
xvi.	Plant locations	NA
xvii.	Address for correspondence	Registered Office: COSYN LIMITED 6-1-85/10, Opp. Telephone Bhavan, Saifabad, Hyderabad, Tel: +91-40- 23230305, 23230306 Fax: +91-40- 23230313
xviii.	Reconciliation of Share Capital Audit	The Company gets the Reconciliation of Share Capital Audit done by a Practicing Company Secretary for the purpose of reconciliation of the total admitted capital with both the depositories, physical and the total issued and listed capital. The Reconciliation of Share Capital Audit Report placed before the Board of Directors on a quarterly basis and is also sent to the Stock Exchanges where the Company's shares are Listed.

**10. Other Disclosures**

SI No	Details	Remarks
1	Disclosure on materially significant Related Party Transactions	There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large.
2	Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by Stock Exchange(s) or the Board or any Statutory Authority on any matter related to Capital markets during last 3 years	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.
3	Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation	The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The Company has adopted a Vigil Mechanism policy in order to provide a secure environment and to encourage employees of the Company to report unethical, unlawful or improper practice, acts or activities. The reportable matter may be disclosed to the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.
4	Mandatory and Non-mandatory requirements	The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.  The Company has fulfilled the following non-mandatory requirements as prescribed in Schedule II, PART E of Regulation 27(1) of (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the following:  a) Modified opinion(s) in audit report  b) Reporting of internal auditor directly to the audit committee.

5	Web link where policy for determining 'material' subsidiaries is disclosed	<a href="http://www.cosyn.in">www.cosyn.in</a>
6	Web link where policy on dealing with related party transactions	<a href="http://www.cosyn.in">www.cosyn.in</a>

The above report has been approved by the Board of Directors at their meeting held on 14.08.2018.

**DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT**

Pursuant to Regulation 26 and Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board members and Senior Management Personnel are aware of the provisions of the Code of Conduct laid down by the Board. I hereby confirm that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct.

Place: Hyderabad

Date: 14.08.2018

Sd/-

**Ravi Vishnu**

Managing Director

**COMPLIANCE CERTIFICATE BY MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO)**

We, Ravi Vishnu, Managing Director and Mr. K. Raghupathi Rao, Chief Financial Officer of Cosyn Limited, to the best of our knowledge and belief, certify that:

We have reviewed the financial statements and the cash flow statement for the year under review and to the best of our knowledge and belief:

- these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;
- these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

To the best of our knowledge and belief, no transactions entered into by the Company during the years, which are fraudulent, illegal or violative of the Company's code of conduct.

We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and disclosed to the auditors and audit committee, the deficiencies in the design and operation of such internal controls and the steps taken to rectify these deficiencies.

We have indicated to the auditors and the audit committee that

- there are no significant changes in internal control over financial reporting during the year.
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
- there are no frauds of which we are aware, that involves management or other employees who have a significant role in the Company's internal control system.

Sd/-

**Ravi Vishnu**  
Managing Director

Sd/-

**K Raghupathi Rao**  
Chief Financial Officer

Place: Hyderabad

Date: 29.05.2018

## **Certificate on Corporate Governance**

To  
The Members,  
Cosyn Limited

We have examined the compliance of conditions of Corporate Governance by Cosyn Limited ('the Company') for the year ended 31st March, 2018 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

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

Date: 14.08.2018

Place: Hyderabad

for **A.S.Ramkumar & Associates**

Company Secretaries

Sd/-

**A.S.RAMKUMAR**

Partner

CP No. 9228



**Annexure- IV**

**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**

S. No.	Particulars	
<b>1.</b>	<b>Details of contracts or arrangements or transactions not at arm's length basis:</b>	NIL
	(a) Name(s) of the related party and nature of relationship:	
	(b) Nature of contracts/arrangements/transactions:	
	(c) Duration of the contracts / arrangements/transactions:	
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
	(e) Justification for entering into such contracts or arrangements or transactions	
	(f) Date(s) of approval by the Board:	
	(g) Amount paid as advances, if any:	
	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	
<b>2.</b>	<b>Details of material contracts or arrangement or transactions at arm's length basis:</b>	
	(a) Name(s) of the related party and nature of relationship:	NIL
	(b) Nature of contracts/arrangements/transactions:	
	(c) Duration of the contracts / arrangements/transactions:	
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
	(e) Date(s) of approval by the Board, if any:	
	(f) Amount paid as advances, if any:	

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)

Date: 14.08.2018

Place: Hyderabad

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018**

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

To,

The Members,

Cosyn Limited

6-1-85/10, Opp. Telephone Bhavan,

Saifabad, Hyderabad – 500 004, Telangana.

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

Based on my verification of the Cosyn Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Cosyn Limited for the financial year ended on 31st March 2018 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period);**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);**
- vi) Other specifically applicable laws to the Company:**
1. Information Technology Act, 2000
  2. Contract Labour (Regulation and Abolition) Act, 1970
  3. Employees State Insurance Act, 1948
  4. Employees Compensation Act, 1923
  5. Employees Provident Fund and Miscellaneous Provisions Act, 1952
  6. Indian Contract Act, 1872
  7. Income Tax Act, 1961 and Indirect Tax Laws
  8. Indian Stamp Act, 1999
  9. Minimum Wages Act, 1948
  10. Payment of Bonus Act, 1965
  11. Payment of Gratuity Act, 1972
  12. Payment of Wages Act, 1936.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that:

- 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.
- There were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

Date: 14.08.2018

Place: Hyderabad

for **A.S.Ramkumar & Associates**  
Company Secretaries

Sd/-

**A.S.RAMKUMAR**

Partner

CP No. 9228

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

## **‘Annexure A’**

To,  
The Members,  
Cosyn Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and 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. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 14.08.2018

Place: Hyderabad

for A.S.Ramkumar & Associates  
Company Secretaries

Sd/-

**A.S.RAMKUMAR**

Partner

CP No. 9228

## Annexure –VI

**DISCLOSURES PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 AND RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Required disclosures under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

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

S.No	Name	Designation	Total Remuneration (Rs)	Ratio of remuneration of director to the Median remuneration
1	RAVI VISHNU	Managing Director	54,85,532.00	49.28
2	A. BHOPAL REDDY	Director	41,16,787.00	36.74

**Notes:**

- The aforesaid details are calculated on the basis of remuneration for the financial year 2017-18.
- The remuneration to Directors includes sitting fees paid to them for the financial year 2017-18.
- Median remuneration of all its employees is Rs 1,09,090/- for the financial year 2017-18.

**2. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:**

S. No	Name	Designation	2017-18	2016-17	Increase %
1	RAVI VISHNU	Managing Director	54,85,532.00	30,01,960.00	82.73
2	A. BHOPAL REDDY	Director	41,16,787.00	29,14,112.00	41.27
3	K. RAGHUPATHI RAO	Chief Financial Officer	4,47,260.00	4,24,855.00	5.27
4	ARAVIND AITIPAMULA	Company Secretary	1,71,012.00	1,48,255.00	15.35

- The percentage increase/(decrease) in the median remuneration of employees in the financial year: 14.37%
- 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 Key Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration-

(Amount in Rs.)

	2017-18	2016-17	Increase %
Average salary of all employees (Other than Key Managerial Personnel)	1,03,62,536	84,33,942	22.87
Key Managerial Personnel			
Salary of Managing Director	54,85,532	30,01,960	82.73
Salary of Whole Time Director	41,16,787	29,14,112	41.27
Salary of Chief Financial Officer	4,47,260	4,24,855	5.27
Salary of Company Secretary	1,71,012	1,48,225	15.35

The increase in remuneration of employees other than the Key Managerial Personnel is considerably in line with the increase in remuneration of Key Managerial Personnel.

5. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**7. Statement containing the particulars of employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, vide notification dated 30th June, 2016:**

List of top ten employees of the Company in terms of remuneration drawn and employed throughout the financial year 2017-18

	Designation(s)	Remuneration (in Rs)	Qualification	Experience (years)	Joining Date	Last Employment
Kiran Babu Vellanki	Div. Head	1,75,000	MS(CS)	19	19-Oct-16	Omis Systems
Ramesh Bandi	Team Lead	85,000	B.Tech	13	10-Oct-11	AQL Technologies
Ramana Murthy S	Manager	72,000	MBA	16	11-Jan-03	--
Naga Satyanarayana Putsala	Div. Head	68,000	B.Sc	25	25-Apr-94	--
Sivanarayana J	Sr. Manager	61,000	MBA (IT)	22	23-Jun-96	Softline Technologies
Madan Mohan Anantharam	Manager	56,360	MBA	12	03-Oct-16	Aruba Networks
Srinivasa Rao Atluri	AGM	53,225	B.E	20	26-Jul-99	--
Krishna B	Manager	48,000	M.Com	28	11-Aug-16	Bioviz Technologies
Ramana A V V	Sr. Manager	42,000	B.Sc	25	25-Apr-94	--
Divya Reddy Annreddy	Dy Manager	40,000	MBA (HR)	15	09-Oct-09	Live Connections

For Cosyn Limited

Sd/-

**Ravi Vishnu**

Managing Director

DIN 01144902

Place: Hyderabad

Date: 14.08.2018

# Independent Auditor's Report

To  
**The Members of  
COSYN LIMITED**

## **Report on the Financial Statements**

We have audited the accompanying Standalone Ind AS financial statements of COSYN LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the statement of changes in equity 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 Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 of the Standalone Ind AS 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 Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on



the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern

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 Standalone Ind AS 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, 2018 and its Profit (including other comprehensive income), changes in equity and its Cash Flow for the year ended on that date.

### **Other Matters**

The comparative financial information of the company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these Standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 30 May 2017 and 30 May 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Standalone Ind AS, which have been audited by us. Our opinion is not modified in respect of these matters.

### **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 and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Standalone Ind AS 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 2018 on its financial position in its financial statements as referred to in note 27 to the Standalone Ind AS 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 31st March, 2018.
  - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed

Place: Hyderabad

Date: 29-05-2018

For **SURYANARAYANA & SURESH**  
Chartered Accountants  
Firm Reg.No: 006631S

Sd/-

**V.NAGENDRA RAO**  
Partner  
M.No.227679

**“Annexure A” to the Independent Auditors’ Report**

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, 2018:

- 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 Insur-

ance, Income-Tax, Goods & Service 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, 2018 for a period of more than six months from the date on when they become payable.

- b) According to the information and explanation given to us, there are no dues of income tax, goods & 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 31st March, 2018.
- 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 moneys 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 Standalone Ind AS 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.

Place: Hyderabad  
Date: 29-05-2018

For **SURYANARAYANA & SURESH**  
Chartered Accountants  
Firm Reg.No: 006631S

Sd/-  
**V.NAGENDRA RAO**  
Partner  
M.No.227679

## **“Annexure B” to the Independent Auditor’s Report**

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

We have audited the internal financial controls over financial reporting of COSYN LIMITED (“the Company”) (formerly known as CSS TECHENERGY LIMITED) as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad  
Date: 29-05-2018

For **SURYANARAYANA & SURESH**  
Chartered Accountants  
Firm Reg.No: 006631S

Sd/-

**V.NAGENDRA RAO**  
Partner  
M.No.227679

## Standalone Balance Sheet as at 31st March, 2018

(Amount in ₹)

	Particulars	Note No.	As at 31 March, 2018	As at 31, March, 2017	As at 01st April, 2016
<b>I</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-Current Assets</b>				
	(a) Property, Plant and Equipment	3	2,82,25,954	2,37,64,400	1,98,09,101
	(b) Capital Work-In-Progress		1,31,46,129	-	-
	(c) Other Intangible Assets		77,12,686	1,05,70,308	1,41,70,682
	(d) Financial Assets				
	(i) Investments	4	2,19,85,362	1,84,23,547	66,920
	(ii) Deposits	5	2,97,67,332	2,62,11,203	2,03,40,421
	(e) Deferred Tax Liabilities (Net)	6	1,78,00,343	1,63,04,755	35,50,350
	(f) Other Non current Assets	7	25,000	49,000	51,37,188
	<b>Total</b>		<b>11,86,62,806</b>	<b>9,53,23,213</b>	<b>6,30,74,662</b>
<b>2</b>	<b>Current Assets</b>				
	(a) Inventories	8	8,93,44,632	2,90,87,105	5,30,61,934
	(b) Financial Assets				
	(i) Trade Receivables	9	9,94,02,405	17,07,58,599	12,29,98,138
	(ii) Cash and Cash equivalents	10	55,66,194	36,72,500	1,56,011
	(iii) Other Bank Balances	11	6,94,53,250	2,66,46,197	59,06,928
	(c) Other Current Assets				
	(i) Short-Term Loans and Advances	12	43,69,707	99,54,216	1,07,26,249
	(ii) Other Current Assets	13	5,30,369	4,20,955	4,87,823
	(d) Current Tax Assets (Net)	14	60,35,187	63,87,104	1,41,83,840
	<b>Total</b>		<b>27,47,01,744</b>	<b>24,69,26,677</b>	<b>20,75,20,923</b>
	<b>TOTAL ASSETS</b>		<b>39,33,64,550</b>	<b>34,22,49,890</b>	<b>27,05,95,585</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Equity:</b>				
	(a) Equity Share Capital	15	7,50,00,000	7,50,00,000	7,50,00,000
	<b>Other Equity:</b>				
	(a) Reserves and Surplus	16	20,38,65,017	14,19,78,509	7,71,59,714
	<b>Total</b>		<b>27,88,65,017</b>	<b>21,69,78,509</b>	<b>15,21,59,714</b>
<b>2</b>	<b>Liabilities</b>				
	<b>i) Non-Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	17	91,18,357	42,12,769	19,87,885
	<b>Total</b>		<b>91,18,357</b>	<b>42,12,769</b>	<b>19,87,885</b>
	<b>ii) Current liabilities</b>				
	(a) Financial Liabilities				
	(i) Short Term Borrowings	18	2,73,10,821	-	1,89,55,769
	(ii) Trade Payables	19	4,24,63,374	5,57,95,374	4,71,88,787
	(b) Other Current Liabilities	20	3,56,06,981	6,52,63,239	5,03,03,430
	<b>Total</b>		<b>10,53,81,177</b>	<b>12,10,58,613</b>	<b>11,64,47,986</b>
	<b>TOTAL LIABILITIES</b>		<b>39,33,64,550</b>	<b>34,22,49,890</b>	<b>27,05,95,585</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board

For **SURYANARAYANA & SURESH**

Chartered Accountants

Firm Reg No: 006631S

Sd/-

**V Nagendra Rao**

Partner

Membership. No:227679

Sd/-

**Ravi Vishnu**

Chairman & Managing Director

DIN 001144902

Sd/-

**A. Bhopal Reddy**

Whole Time Director

DIN 01119839

Sd/-

**K. Raghupathi Rao**

CFO

Sd/-

**A. Aravind**

Company Secretary

Place : Hyderabad

Date : 29.05.2018



**Statement of Profit and Loss Account for the year ended 31 March, 2018** (Amount in ₹)

	Particulars	Note No.	For the year ended 31 March, 2018	For the year ended 31, March, 2017
	<b>Gross Revenue</b>		50,20,17,648	35,97,59,041
	Less: Excise Duty / Service Tax		87,85,530	4,50,63,256
	Goods and Service Tax		6,62,45,193	-
<b>1</b>	<b>Revenue from Operations (Net Sales)</b>	21	42,69,86,925	31,46,95,785
<b>2</b>	<b>Other Income</b>	22	31,90,177	24,09,183
	<b>Total Revenue (1+2)</b>		<b>43,01,77,102</b>	<b>31,71,04,968</b>
<b>3</b>	<b>Expenditure;</b>			
	(a) Cost of Materials Consumed	23	1,02,26,428	92,79,340
	(b) Changes in Inventories of work-in-progress	24	(6,04,91,570)	2,42,85,653
	(c) Operating Expenses	25	20,17,78,543	5,11,32,253
	(d) Employee Benefits Expense	26	15,07,62,935	12,12,09,668
	(e) Other Expenses	27	2,46,04,751	3,38,01,078
	(f) Finance Costs	28	64,74,172	18,42,441
	(g) Depreciation	3	94,41,523	84,60,287
	<b>Total Expenses</b>		<b>34,27,96,782</b>	<b>25,00,10,720</b>
<b>4</b>	<b>Profit Before Tax</b>		<b>8,73,80,319</b>	<b>6,70,94,248</b>
<b>5</b>	<b>Tax Expense:</b>			
	(a) Current tax expense for current year		1,79,41,432	1,41,80,496
	(b) Deferred tax (Asset) / Liability		(14,95,588)	2,85,158
	(c) MAT credit entitlement		-	(1,30,39,563)
<b>6</b>	<b>Net Profit after Tax (4 - 5)</b>		<b>7,09,34,475</b>	<b>6,56,68,157</b>
<b>7</b>	<b>Earnings Per Share (having a face value of Rs.10/-each)</b>	<b>29</b>		
	- Basic and Diluted		9.46	8.76
	No. of Shares		75,00,000	75,00,000

See accompanying notes forming part of the financial statements  
 In terms of our report attached  
 For **SURYANARAYANA & SURESH**  
 Chartered Accountants  
 Firm Reg No: 006631S

For and on behalf of the Board

Sd/-  
**V Nagendra Rao**  
 Partner  
 Membership. No:227679

Sd/-  
**Ravi Vishnu**  
 Chairman & Managing Director  
 DIN 001144902

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

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

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

Place : Hyderabad  
 Date : 29.05.2018

## Statement of changes in Equity

(All amounts in Indian Rupees, except for share data or as otherwise stated)

(Amount in ₹)

Particulars	Equity Share Capital	Other Equity				Total Equity attributable to equity holders of the Company
		Reserves and Surplus				
		Capital Reserve	General Reserve	Retained earnings	Share Premium	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Balance at 1st April, 2016	7,50,00,000	19,25,000	-	17,70,624	7,34,64,090	15,21,59,714
Less: Dividend paid for the year 2015-16	-	-	-	-	-	-
Add: Net profit / Movements during the year	-	-	-	6,56,68,157	-	6,56,68,157
Profit transferred to General reserve	-	-	-	-	-	-
Items of Other comprehensive income directly recognized in retained earnings	-	-	-	(8,49,362)	-	(8,49,362)
<b>Balance as at 31st March, 2017</b>	<b>7,50,00,000</b>	<b>19,25,000</b>	<b>-</b>	<b>6,65,89,419</b>	<b>7,34,64,090</b>	<b>21,69,78,509</b>
<b>Balance at 1st April, 2017</b>	<b>7,50,00,000</b>	<b>19,25,000</b>	<b>-</b>	<b>6,65,89,419</b>	<b>7,34,64,090</b>	<b>21,69,78,509</b>
Less: Dividend paid for the year 2016-17	-	-	-	75,00,000	-	75,00,000
Less: Dividend distribution Tax	-	-	-	15,26,818	-	15,26,818
Add: Net Profit / Movements during the year	-	-	-	7,09,34,475	-	7,09,34,475
Profit transferred to General reserve	-	-	-	-	-	-
Items of Other comprehensive income directly recognized in retained earnings	-	-	-	(21,149)	-	(21,149)
<b>Balance as at 31st March, 2018</b>	<b>7,50,00,000</b>	<b>19,25,000</b>	<b>-</b>	<b>12,84,75,927</b>	<b>7,34,64,090</b>	<b>27,88,65,017</b>

As per our Report of even date attached  
For **SURYANARAYANA & SURESH**  
Chartered Accountants  
Firm Reg No: 0066315

For and on behalf of the Board

Sd/-  
**V Nagendra Rao**  
Partner  
Membership. No:227679

Sd/-  
**Ravi Vishnu**  
Chairman & Managing Director  
DIN 001144902

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

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

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

Place : Hyderabad  
Date : 29.05.2018

## Cash Flow Statement for the year ended 31 March, 2018 (Amount in ₹)

	Particulars	For the year ended 31 March, 2018	For the year ended 31, March, 2017
<b>A</b>	<b>Cash Flows from operating activities :</b>		
	Profit Before Tax	<b>8,73,80,319</b>	<b>6,70,94,248</b>
	Add : Depreciation	94,41,523	84,60,287
	Add : Finance Costs	31,03,147	18,42,441
	Add:Provision for doubtful debts	(37,55,589)	25,13,709
	Less: Interest & other income received	(31,90,177)	(24,09,183)
	<b>Operating Profit before working capital changes</b>	<b>9,29,79,223</b>	<b>7,75,01,502</b>
	Adjustment for (increase)/decrease in operating assets		
	Trade Receivables	7,51,11,784	(5,02,74,170)
	Inventories	(6,02,57,527)	2,39,74,829
	Other Non Current Financial Assets	(35,56,129)	(58,70,782)
	Other Non Current Assets	24,000	50,88,188
	Other Current Assets	54,75,095	8,38,901
	Trade Payables	(1,33,31,999)	86,06,587
Other Current LiabilitiesTrade Payables	(2,96,77,407)	1,49,59,809	
Changes in Prepaid Taxes	(55,28,756)	(58,87,249)	
	<b>(3,17,40,940)</b>	<b>(85,63,887)</b>	
<b>Cash Generated From Operations</b>	<b>6,12,38,283</b>	<b>6,89,37,614</b>	
Less : Income Tax Paid	1,20,60,759	11,40,933	
Net cash from operating activities " A "	4,91,77,524	6,77,96,681	
<b>B</b>	<b>Cash Flows from Investing activities :</b>		
	Purchase of Fixed Assets	(2,41,91,584)	(84,86,867)
	Interest & other income received	-	24,09,183
	Margin Money Deposits	(96,16,876)	
	Fixed Deposits	(3,00,00,000)	(2,07,39,269)
	Investment	(35,61,815)	(1,83,56,627)
<b>Net cash utilised in investing activities " B "</b>	<b>(6,73,70,275)</b>	<b>(4,51,73,580)</b>	
<b>C</b>	<b>Cash Flows from Financing Activities :</b>		
	Proceeds from long term borrowings - ( Net of payments )	49,05,588	16,91,596
	Proceeds from Short term borrowings - ( Net of payments )	2,73,10,821	(1,89,55,769)
	Cash paid for Dividends & Dividend Tax	(90,26,818)	-
	Finance Cost	(31,03,147)	(18,42,441)
	<b>Net Cash used in Financing Activities " C "</b>	<b>2,00,86,444</b>	<b>(1,91,06,614)</b>
	<b>Net ( Decrease ) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>18,93,694</b>	<b>35,16,489</b>
<b>Cash and Cash Equivalents at the beginning</b>	<b>36,72,500</b>	<b>1,56,011</b>	
<b>Cash and Cash Equivalents at the end</b>	<b>55,66,194</b>	<b>36,72,500</b>	

As per our Report of even date attached  
For **SURYANARAYANA & SURESH**  
Chartered Accountants  
Firm Reg No: 006631S

For and on behalf of the Board

Sd/-  
**V Nagendra Rao**  
Partner  
Membership. No:227679

Sd/-  
**Ravi Vishnu**  
Chairman & Managing Director  
DIN 001144902

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

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

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

Place : Hyderabad  
Date : 29.05.2018

## 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

#### Basis of Preparation of Financial Statements:

For all periods up to and including the year ended 31st March, 2017 the Company prepared its Financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These Financial statements for the year ended 31st March, 2018 have been prepared in accordance with Indian Accounting Standards (“Ind-AS”) consequent to the notification of the Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. These are the First Ind-AS Financial statements of the Company, wherein the Company has restated its financial statements for the year ended 31st March, 2017 also as per Ind-AS. The Financial statements have been prepared on historical cost basis.

**Reconciliation between financial results previously reported (referred to as Previous GAAP”) and Ind AS for the quarter / year presented are as under:**

(Rs.in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Net Profit under Previous GAAP (After Tax)	649.05	692.54
IND AS Adjustments	(60.29)	35.86
Net Profit under IND AS (After Tax)	709.34	656.68

**Reconciliation between Total Equity previously reported (referred to as “Previous GAAP”) and Ind AS for the quarter / year presented are as under**

Particulars	Total Equity as on 31.03.2018	Total Equity as on 01.04.2017
Total Equity as per previous GAAP	750.00	750.00
IND AS Adjustments	-	-
Total Equity as per IND AS	750.00	750.00

## 2. SIGNIFICANT ACCOUNTING POLICIES:

### a. Property, Plant and Equipment:

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc., upto the date the asset is ready for its intended use. Fixed assets which were revalued are carried at revalued values. Expenditure directly related to expansion projects has been capitalized.

Cost includes non refundable taxes, duties, freight, borrowing costs and other incidental expenses related to the acquisition and installation of the respective assets.

Assets under installation or under construction as at the Balance Sheet date are shown in Capital work-in –progress. Advances paid towards acquisition of assets are shown in Capital Advances.

Fixed assets which are found to be not usable or retired from active use of when no further benefits are expected from their use are removed from the books of account and the difference if any, between the cost of such assets and the accumulated depreciation thereon is charged to Statement of Profit & Loss.

Depreciation on tangible assets is provided under Straight Lime Method over the useful lives of assets estimated by the management. Depreciation on additions/ deletions during a period is charged on pro rata basis from the date of addition or deletion, as the case may be.

### b. Impairment of Assets:

In accordance with Ind AS36, the company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. An asset is treated as impaired when the carrying cost exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in a prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### c. Employee Benefits:

Retirement benefits to employees comprise of payments under Defined Contribution Plans like Provident Fund and payments under Defined Benefit Schemes like Gratuity and Leave encashment.

Payments under defined contribution plans are charged to revenue on accrual. The liability in respect of defined benefit scheme is arrived based on actuarial valuation made at the end of the year by using projected unit credit method.

Short-term employee benefits such as wages, salaries and short-term compensated absences like bonus and other non-monetary benefits are provided for as per Company's Rules on best estimate basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts include in net interest on the net defined benefit liability),

are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

**d. Valuation of Inventories:**

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.

**e. Investments:**

Investments intended to be held for more than one year are treated as long term and others as short term. Short-term investments are carried at the lower of cost or quoted / fair value, computed category wise and long-term investments are stated at cost. Provision for diminution in the value of long –term investments is made only if such a decline is other than temporary. As there are no investments made by the Company in any subsidiary or equity instruments, provisions of IND-AS 27 are not applied.

**f. Prior period expenses / Income:**

The Company follows the practice of making adjustments through “expenses/income under/over provided” in previous years in respect of material transactions pertaining to that period prior to the current accounting year.

**g. Government Grants:**

Government grants available to the company are recognized when there is a reasonable assurance that the conditions attached to the grant will be complied with and reasonably certain that grants will be received.

**h. Tax Expenses**

Tax expense for the period comprises current tax and deferred tax. Tax is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

◆ **Current tax**

Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities, based on the tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

◆ **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and

tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

**i. Foreign Exchange Transactions:**

Transactions denominated in foreign currency are accounted for initially at the exchange rate prevailing on the date of transaction. Foreign Currency monetary Assets and Liabilities are translated at year end exchange rates. Fluctuations, if any due to change in exchange rates between the dates of transactions and the dates of crystallization are debited / credited to Statement of Profit & Loss.

**j. 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:

**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.

**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.

**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.

**Dividends**

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

**k. Borrowing Costs:**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**l. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is possible that there will be an

outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes on accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

**m. Earnings per Share:**

The basic Earnings Per Share (“EPS”) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax but before OCI for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential of equity shares.

**SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

Preparation of the financial statements requires management to make judgments, estimates and assumptions, as described below, that affect the reported amounts and the disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and reviewed at each Balance Sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures.



## Notes forming part of the Financial Statements

### 1. Corporate Information

### 2. Significant Accounting Policies

### 3. Fixed Assets

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
- Tangible Assets	2,82,25,954	2,37,64,400	1,98,09,101
- Capital Work in Progress	1,31,46,129	-	-
- Intangible Assets	77,12,686	1,05,70,308	1,41,70,682
<b>Total</b>	<b>4,90,84,769</b>	<b>3,43,34,708</b>	<b>3,39,79,783</b>

### 4. Investments

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>Investment in Subsidiary Company (at cost)</b>			
Cosyn LLC, Texas (Ref.Note 4.1)	72,33,570	36,71,755	66,920
Well to Desk Inc	1,36,35,972	1,36,35,972	-
<b>Other Investments</b>			
Geo Nimbus Corporation	11,15,820	11,15,820	-
<b>Total</b>	<b>2,19,85,362</b>	<b>1,84,23,547</b>	<b>66,920</b>

4.1 During the year, Company made investment of Rs 35,61,815/- towards 55,000 Equity Shares of Cosyn LLC, Texas,USA. wholly owned subsidiary

### 5. Deposits

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(Unsecured, considered good, recoverable in cash or in kind for value to be received )			
Deposits			
Deposits - APCPDCL	42,426	42,426	42,426
Deposits - Electricity	5,32,255	5,32,255	4,89,455
Retension Money - PSPCL	1,52,18,580	1,15,58,061	77,24,716
Deposits - Others	11,27,039	2,45,069	2,50,432
Deposits - Performance Guarantees	1,17,26,695	1,27,26,695	1,07,26,695
Deposits - Rent	11,20,337	11,06,697	11,06,697
<b>Total</b>	<b>2,97,67,332</b>	<b>2,62,11,203</b>	<b>2,03,40,421</b>

### 6. Deferred Tax Liability

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Opening Balance	1,63,04,755	35,50,350	(51,35,293)
Add: On account of Deferred Revenue Expenditure	-	-	(10,95,339)
Add: On account of difference of Depreciation	14,95,588	(2,85,158)	18,58,161
Deferred Tax Liability	-	-	22,22,821
Mat Credit	-	1,30,39,563	57,00,000
<b>Net Deferred Tax Liability</b>	<b>1,78,00,343</b>	<b>1,63,04,755</b>	<b>35,50,350</b>

(Amount in ₹)

3. FIXED ASSETS		GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
		Balance As at 01.04.2017	Additions	Disposals	Balance As at 31.03.2018	Balance As at 01.04.2017	Disposals For the year	Balance As at 31.03.2018	Balance As at 31.03.2018	Balance As at 31.03.2017	
<b>(i) TANGIBLE ASSETS</b>											
Land	13,31,295	-	-	-	13,31,295	-	-	-	-	13,31,295	13,31,295
Computer / Hardware	10,53,13,254	99,90,571	-	11,53,03,825	9,57,22,167	-	35,49,461	9,92,71,628	1,60,32,197	95,91,087	95,91,087
Furniture and fixtures	1,73,50,357	2,00,052	-	1,75,50,409	1,40,96,229	-	4,58,245	1,45,54,474	29,95,935	32,54,128	32,54,128
Electrical Fittings	1,94,35,510	1,99,260	-	1,96,34,770	1,49,21,524	-	8,34,442	1,57,55,966	38,78,804	45,13,986	45,13,986
Vehicles	29,78,350	-	-	29,78,350	27,60,247	-	10,424	27,70,671	2,07,679	2,18,103	2,18,103
Office Equipment	1,37,01,993	1,75,425	-	1,38,77,418	88,46,192	-	12,51,182	1,00,97,374	37,80,044	48,55,801	48,55,801
Library Books	8,65,901	-	-	8,65,901	8,65,901	-	0	8,65,901	-	-	-
<b>Total</b>	<b>16,09,76,660</b>	<b>1,05,65,308</b>	-	<b>17,15,41,968</b>	<b>13,72,12,260</b>	-	<b>61,03,754</b>	<b>14,33,16,014</b>	<b>2,82,25,954</b>	<b>2,37,64,400</b>	<b>2,37,64,400</b>
Previous Year Total	15,24,63,302	85,13,358	-	16,09,76,660	13,26,54,201	-	45,58,059	13,72,12,260	2,37,64,400	-	-
<b>(ii) INTANGIBLE ASSETS</b>											
Computer Software	7,95,20,924	4,80,147	-	8,00,01,071	6,89,50,616	-	33,37,769	7,22,88,385	77,12,686	1,05,70,308	1,05,70,308
<b>Total</b>	<b>7,95,20,924</b>	<b>4,80,147</b>	-	<b>8,00,01,071</b>	<b>6,89,50,616</b>	-	<b>33,37,769</b>	<b>7,22,88,385</b>	<b>77,12,686</b>	<b>1,05,70,308</b>	<b>1,05,70,308</b>
Previous Year Total	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	-	-
<b>Total</b>	<b>24,04,97,584</b>	<b>1,10,45,455</b>	-	<b>25,15,43,039</b>	<b>20,61,62,876</b>	-	<b>94,41,523</b>	<b>21,56,04,399</b>	<b>3,59,38,640</b>	<b>3,43,34,708</b>	<b>3,43,34,708</b>
Previous Year Total	23,16,82,372	88,15,212	-	24,04,97,584	19,77,02,589	-	84,60,287	20,61,62,876	3,43,34,708	-	-

## Notes forming part of the Financial Statements

### 7. Other Non-Current Assets

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(a) Advance for Capital goods	-	24,000	34,776
(b) Advance to subsidiary	25,000	25,000	18,79,882
(c) Deferred Revenue Expenditure	-	32,22,530	64,45,066
Less : Written off during theyear	-	(32,22,530)	(32,22,536)
<b>Total</b>	<b>25,000</b>	<b>49,000</b>	<b>51,37,188</b>

### 8. Inventories (As valued and certified by Management)

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(As valued and Certified by Management)			
(a) Consumables	2,09,626	4,43,669	1,32,845
(b) Work-in-progress	8,91,35,006	2,86,43,436	5,29,29,089
<b>Total</b>	<b>8,93,44,632</b>	<b>2,90,87,105</b>	<b>5,30,61,934</b>

### 9. Trade Receivables

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
Unsecured, considered good	5,87,73,883	4,01,09,881	1,14,58,699
Doubtful	-	75,68,012	-
	5,87,73,883	4,76,77,893	1,14,58,699
Less: Bad debts written off	-	75,68,012	-
	5,87,73,883	4,01,09,881	1,14,58,699
Other Trade Receivables			
Unsecured, considered good	4,06,28,522	13,06,48,718	11,15,39,439
<b>Total</b>	<b>9,94,02,405</b>	<b>17,07,58,599</b>	<b>12,29,98,138</b>

### 10. Cash and Cash equivalents

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(i) Cash on hand	3,070	4,998	35,825
(ii) Balances with banks			
(a) Current accounts	55,63,124	34,79,682	1,20,186
(b) Cash Credit Account	-	1,87,820	-
<b>Total</b>	<b>55,66,194</b>	<b>36,72,500</b>	<b>1,56,011</b>

### 11. Other Bank Balances

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Margin Money for Bank Guarantees	3,94,53,250	2,66,46,197	59,06,928
Fixed Deposits	3,00,00,000	-	-
<b>Total</b>	<b>6,94,53,250</b>	<b>2,66,46,197</b>	<b>59,06,928</b>

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

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(Unsecured, considered good) Loans and Advances	39,83,987	23,10,759	14,46,737
Advance for services and other expenses	3,85,721	76,43,457	92,79,512
<b>Total</b>	<b>43,69,707</b>	<b>99,54,216</b>	<b>1,07,26,249</b>

**13. Other Current Assets**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Prepaid Expenses	5,30,369	4,20,955	4,87,823
<b>Total</b>	<b>5,30,369</b>	<b>4,20,955</b>	<b>4,87,823</b>

**14. Current Tax Assets (Net)**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Current tax Asset (Net)	-	-	1,98,83,840
Other Current Assets	60,35,187	63,87,104	(5,700,000)
<b>Total</b>	<b>60,35,187</b>	<b>63,87,104</b>	<b>1,41,83,840</b>

**15. Share Capital**

(Amount in ₹)

Particulars	As at March, 2018		As at 31 March 2017		As at 01 April, 2016	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
(a) Authorised Share Capital 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	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	75,00,000	7,50,00,000
<b>TOTAL</b>		<b>7,50,00,000</b>		<b>7,50,00,000</b>		<b>7,50,00,000</b>

**(i) Reconciliation of Shares**

Reconciliation of Number of Equity Shares outstanding at the Beginning and at the End of the Year

Particulars	As at March, 2018		As at 31 March 2017		As at 01 April, 2016	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
<b>Equity Shares</b>						
At the Beginning of the Year	75,00,000	7,50,00,000	75,00,000	7,50,00,000	75,00,000	7,50,00,000
Add / (Less) : Addition / (reduction) during the Year	-	-	-	-	-	-
<b>At the End of the Year</b>	<b>75,00,000</b>	<b>7,50,00,000</b>	<b>75,00,000</b>	<b>7,50,00,000</b>	<b>75,00,000</b>	<b>7,50,00,000</b>

(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 Mar, 2018	As at 31 Mar, 2017	As at 01 April, 2016	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 01 April, 2016
	No. of Shares			% held		
Sri. Ravi Vishnu	8,50,539	8,50,539	8,50,539	11.34	11.34	11.34
Sri. D. Vikram Reddy	7,40,500	7,40,500	7,40,500	9.87	9.87	9.87
Sri. R. Radha Krishna Murthy	5,41,100	5,41,100	5,41,100	7.21	7.21	7.21
Sri. A. Bhopal Reddy	4,46,725	4,77,000	4,81,400	5.96	6.36	6.42

**16. Reserves and Surplus**

(Amount in ₹)

Particulars	As at March, 2018		As at 31 March 2017		As at 01 April, 2016	
(a) Share Premium						
Opening balance	7,34,64,090		7,34,64,090		7,34,64,090	
Add: Additions during the year	-		-		-	
Closing balance		7,34,64,090		7,34,64,090		7,34,64,090
(b) Capital Reserve		19,25,000		19,25,000		19,25,000
(c) Surplus / (Deficit) in Statement of Profit and Loss						
Balance at the beginning of the year	6,65,89,419		17,70,624		(3,10,50,782)	
Less: Dividend for the FY 2016-17	75,00,000		-			
Less: Dividend distribution Tax	15,26,818					
Add: Profit for the year	7,09,34,475		6,56,68,157		3,71,38,213	
Items of Other comprehensive income directly recognized in retained earnings	(21,149)		(8,49,362)		(43,16,807)	
Closing Balance		12,84,75,927		6,65,89,419		17,70,624
<b>TOTAL</b>		<b>20,38,65,017</b>		<b>14,19,78,509</b>		<b>7,71,59,714</b>

**17. Long Term Borrowings**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
i) Secured			
From Banks			
Term Loan from State Bank of India	-	-	45,331
ii) Un-Secured			
From Non Banking Financial Institutions	91,18,357	42,12,769	19,87,885
<b>Total</b>	<b>91,18,357</b>	<b>42,12,769</b>	<b>19,87,885</b>

**18. Short Term Borrowings**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>Secured: From Banks</b>			
State Bank of India - (Loan against our Deposits) (Refer Note 18.1)	2,73,10,821	-	1,89,55,769
<b>Total</b>	<b>2,73,10,821</b>	<b>-</b>	<b>1,89,55,769</b>

18.1. During the financial year 2017-18, Company has taken loan of Rs 2,70,00,000/- from State Bank of India, Balanagar branch against Fixed Deposit with the same Bank Rs 3,00,00,000/-. The said loan is carrying interest @ 6.25% p.a.

**19. Trade Payables:**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Creditors for Services	3,90,80,907	5,28,77,604	4,46,53,187
Creditors for Consumables	30,41,236	21,71,206	23,58,631
Creditors for Expenses	3,41,231	7,46,563	1,76,969
<b>Total</b>	<b>4,24,63,374</b>	<b>5,57,95,374</b>	<b>4,71,88,787</b>

**20. Other Current Liabilities**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(a) Current Maturities of Long-Term Debt - From Banks			
i) Secured			
i) From Banks			
Term Loan from State Bank of India	-	-	19,68,125
ii) Un-Secured			
ii) From Non Banking Financial Institutions	77,96,627	42,40,917	11,09,364
(b) Other payables			
(i) Statutory remittances			
Service tax Payable	-	3,74,85,061	2,50,38,783
GST Payable	1,00,81,781	-	-
Tds Payable	17,31,961	17,69,434	27,50,710
Sales Tax Payable	-	-	1,62,457
ESI Payable	21,61,553	51,77,226	50,57,718
PF Payable	23,19,898	86,41,891	78,17,514
Professional Tax Payable	23,840	40,660	3,840
Un Claimed Dividend FY 2016-17	3,37,149	-	-
(ii) Payables on purchase of fixed assets	8,30,290	7,67,240	4,38,895
(iii) Advance from Customers	56,66,894	56,66,894	42,37,529
(iv) Other Liabilities	46,56,989	14,73,916	17,18,495
<b>Total</b>	<b>3,56,06,981</b>	<b>6,52,63,239</b>	<b>5,03,03,430</b>

**21. Revenue from Operations**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Revenue from Operations		
- Domestic	49,79,97,372	34,47,06,581
- Exports	40,20,276	1,50,52,460
<b>Total Gross Revenue</b>	<b>50,20,17,648</b>	<b>35,97,59,041</b>
Less: Service Tax	87,85,530	4,50,63,256
Less: GST	6,62,45,193	-
<b>Total Tax Amount</b>	<b>7,50,30,723</b>	<b>4,50,63,256</b>
<b>Net Revenue</b>	<b>42,69,86,925</b>	<b>31,46,95,785</b>

**22. Other Income**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Interest Income	31,90,177	20,32,983
(b) Interest on Income Tax Refund	-	3,76,200
<b>Total</b>	<b>31,90,177</b>	<b>24,09,183</b>

**23 Cost of Materials Consumed**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Opening stock	4,43,669	1,32,845
Add: Purchases	99,92,385	95,90,164
<b>Total</b>	<b>1,04,36,054</b>	<b>97,23,009</b>
Less: Closing stock	2,09,626	4,43,669
<b>Total</b>	<b>1,02,26,428</b>	<b>92,79,340</b>

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

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
<u>Inventories at the end of the year:</u>		
Work-in-progress	8,91,35,006	2,86,43,436
	8,91,35,006	2,86,43,436
<u>Inventories at the beginning of the year:</u>		
Work-in-progress	2,86,43,436	5,29,29,089
	2,86,43,436	5,29,29,089
<b>Net (Increase) / Decrease</b>	<b>(60,491,570)</b>	<b>2,42,85,653</b>

**25 . Operating Expenses**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Sub Contracting Expenses	19,96,58,416	4,84,38,126
Repairs to Plant & Machinery	13,03,472	17,09,641
Power & Fuel	4,17,629	4,57,193
Frieght	3,99,026	5,27,293
<b>Total</b>	<b>20,17,78,543</b>	<b>5,11,32,253</b>

**26 Employee Benefits Expense**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Salaries and Wages	13,45,71,019	10,76,96,461
Contributions to Provident Fund & other funds	1,53,83,027	1,30,17,987
Staff Welfare expenses	8,08,889	4,95,220
<b>Total</b>	<b>15,07,62,935</b>	<b>12,12,09,668</b>

**27 Other Expenses**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Rent	32,31,019	31,21,260
Repairs and Maintenance	14,59,056	13,85,187
Insurance	2,12,268	2,35,499
Rates and Taxes	1,16,218	3,41,724
Communication Expenses	19,92,225	17,85,993
Travelling and Conveyance	25,79,951	32,79,153
Business promotion Expenses	3,78,579	26,42,096
Legal and professional Expenses	51,62,232	48,25,331
Payment to Auditors (Refer Note: 27.1)	4,00,000	4,00,000
Bad Debts written off	-	75,68,012
Deferred Revenue Expenditure written off	-	32,22,530
Loss on Foreign Fluctuation	1,10,863	-
Interest on GST	9,32,139	-
Interest on Service Tax	67,52,247	-
Interest on delayed payments of EPFO	18,44,839	-
Service Tax Penalty	68,600	-
Miscellaneous expenses	19,92,901	15,40,790
Bank Charges	11,27,204	9,30,201
Prior period items	-	9,594
Provision for doubtful debts	(3,755,589)	25,13,709
<b>Total</b>	<b>2,46,04,751</b>	<b>3,38,01,078</b>

**27.1. Auditors Remuneration (Excluding Goods & Service Tax)**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
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>

**28 Finance Cost**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Interest on Income Tax / TDS	30,60,204	1,53,030
Interest on Loans	31,03,147	11,97,625
Interest on Working Capital Loans	3,10,821	4,91,786
<b>Total</b>	<b>64,74,172</b>	<b>18,42,441</b>

**29. Earnings Per Share**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Net profit for basic EPS	7,09,34,475	6,56,68,157
Weighted average Number of equity shares	75,00,000	75,00,000
Per value per share	10.00	10.00
<b>Annualized Basic Earning per share</b>	<b>9.46</b>	<b>8.76</b>



## Notes to the Financial Statements

### 30. Contingent Liabilities not acknowledged as debt:

	2017-18	2016-17
	Rs	Rs
<b>a) Bank Guarantees</b>	3,70,75,566	2,49,13,404
<b>b) Income Tax (TDS)</b>		

The Company has received demand notice for Rs. 17,36,296/- towards penalty and Interest for late payment/filing of TDS return for the years from 2007- 08 to 2016-17.

The Company has filed appeals against the said notices and the Management is confident of winning the appeal. Hence no provision made in the books of account.

### c) Provident Fund

The Company has received Order towards levy of Damages for the period August 2008 to December 2015 for Rs. 29,04,703/-.

The Company has filed appeal against the said Order and the Management is confident of winning the appeal. Hence no provision made in the books of account

### 31. Related Party Transactions:

#### A. Related Parties and their Relationship

(As identified and certified by the Management)

- |                                    |                                  |
|------------------------------------|----------------------------------|
| I. Subsidiary Company              | : a) Cosyn LLC, Texas, USA       |
|                                    | : b) WelltoDesk Inc, Texas, USA. |
| II. 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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Remuneration & Perquisites	--	--	54,85,532/-	30.01,960/-
Loans & Advance given(Subsidiary)	25,000/-	25,000/-	--	--
Investment in Subsidiary	2,19,85,362/-	1,84,23,547/-	--	--
Sales (Subsidiary)	--	1,31,77,440/-		

**32. 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

**33. 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.

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

**35** 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.

Note 1 to 35 form part of the Balance Sheet and have been authenticated.

In terms of our report attached

For and on behalf of the Board

For SURYANARAYANA & SURESH.,  
Chartered Accountants  
Firm Reg.No. 006631S

Sd/-

**V. Nagendra Rao**  
Partner  
Membership No: 227679

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: 29.05.2018

## Independent Auditor's Report

To  
The Members of  
COSYN LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of COSYN LIMITED ("the Company") 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, 2018, the consolidated Statement of Profit and Loss, consolidated the statement of changes in equity 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 of the consolidated Ind AS financial statements 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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, 2018, and its consolidated Profit (including other comprehensive income), consolidated changes in equity and its consolidated Cash Flow for the year ended on that date.

### **Other Matters**

The comparative financial information of the company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 30 May 2017 and 30 May 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the consolidated Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

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

3. 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, consolidated the statement of changes in equity 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 2018 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 31st March, 2018.
  - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed

Place: Hyderabad  
Date: 29-05-2018

For **SURYANARAYANA & SURESH**  
Chartered Accountants  
Firm Reg.No: 006631S  
Sd/-  
**V.NAGENDRA RAO**  
Partner  
M.No.227679

## **Annexure A” to the Independent Auditor’s Report**

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

We have audited the internal financial controls over financial reporting of COSYN LIMITED (“the Holding Company”) in respect of standalone Financial Statements as at March 31, 2018 in conjunction with our audit of the consolidated Ind AS 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.

Place: Hyderabad  
Date: 29-05-2018

For **SURYANARAYANA & SURESH**  
Chartered Accountants  
Firm Reg.No: 006631S

Sd/-

**V.NAGENDRA RAO**  
Partner  
M.No.227679

## Consolidated Balance Sheet as at 31st March, 2018

(Amount in ₹)

	Particulars	Note No.	As at 31 March, 2018	As at 31, March, 2017	As at 01st April, 2016
<b>1</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-Current Assets</b>				
	(a) Property, Plant and Equipment	3	2,90,30,846	2,38,43,626	1,99,01,507
	(b) Capital Work-In-Progress		1,31,46,129	-	-
	(c) Other Intangible Assets		2,25,52,215	2,91,87,754	1,41,70,682
	(d) Financial Assets				
	(i) Investments	4	7,82,502	11,15,820	-
	(ii) Deposits	5	2,97,67,332	2,62,41,295	2,03,70,523
	(e) Deferred Tax Liabilities (Net)	6	1,78,00,343	1,63,04,755	35,50,350
	(f) Other Non current Assets	7	25,000	49,000	32,57,306
	<b>Total</b>		<b>11,31,04,367</b>	<b>9,67,42,250</b>	<b>6,12,50,368</b>
<b>2</b>	<b>Current Assets</b>				
	(a) Inventories	8	8,93,44,632	2,90,87,105	5,30,61,934
	(b) Financial Assets				
	(i) Trade Receivables	9	9,94,02,405	17,07,58,599	12,29,98,138
	(ii) Cash and Cash equivalents	10	56,70,101	39,29,098	4,06,006
	(iii) Other Bank Balances	11	6,94,53,250	2,66,46,197	59,06,928
	(c) Other Current Assets				
	(i) Short-Term Loans and Advances	12	43,69,707	99,61,018	1,07,26,249
	(ii) Other Current Assets	13	5,30,369	4,20,955	4,87,823
	(d) Current Tax Assets (Net)	14	60,35,187	63,87,104	1,41,83,840
	<b>Total</b>		<b>27,48,05,651</b>	<b>24,71,90,076</b>	<b>20,77,70,918</b>
	<b>TOTAL ASSETS</b>		<b>38,79,10,018</b>	<b>34,39,32,325</b>	<b>26,90,21,286</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Equity:</b>				
	(a) Equity Share Capital	15	7,50,00,000	7,50,00,000	7,50,00,000
	<b>Other Equity:</b>				
	(a) Reserves and Surplus	16	19,41,62,319	13,74,52,850	7,55,85,415
	(b) Minority Interest		40,97,998	61,88,142	-
	<b>Total</b>		<b>27,32,60,317</b>	<b>21,86,40,992</b>	<b>15,05,85,415</b>
<b>2</b>	<b>Liabilities</b>				
	i) Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	17	91,18,357	42,12,769	19,87,885
	<b>Total</b>		<b>91,18,357</b>	<b>42,12,769</b>	<b>19,87,885</b>
	ii) Current liabilities				
	(a) Financial Liabilities				
	(i) Short Term Borrowings	18	2,73,10,821	-	1,89,55,769
	(ii) Trade Payables	19	4,26,13,541	5,58,15,325	4,71,88,787
	(b) Other Current Liabilities	20	3,56,06,981	6,52,63,239	5,03,03,430
	<b>Total</b>		<b>10,55,31,344</b>	<b>12,10,78,565</b>	<b>11,64,47,986</b>
	<b>TOTAL LIABILITIES</b>		<b>38,79,10,018</b>	<b>34,39,32,325</b>	<b>26,90,21,286</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board

For **SURYANARAYANA & SURESH**

Chartered Accountants

Firm Reg No: 006631S

Sd/-

**V Nagendra Rao**

Partner

Membership. No:227679

Sd/-

**Ravi Vishnu**

Chairman & Managing Director

DIN 001144902

Sd/-

**A. Bhopal Reddy**

Whole Time Director

DIN 01119839

Sd/-

**K. Raghupathi Rao**

CFO

Sd/-

**A. Aravind**

Company Secretary

Place : Hyderabad

Date : 29.05.2018



**Consolidated Profit and Loss Account for the year ended 31 March, 2018** (Amount in ₹)

	Particulars	Note No.	For the year ended 31 March, 2018	For the year ended 31, March, 2017
	<b>Gross Revenue</b>		50,32,25,426	36,00,91,661
	Less: Excise Duty / Service Tax		87,85,530	4,50,63,256
	Goods and Service Tax		6,62,45,193	-
<b>1</b>	<b>Revenue from Operations (Net Sales)</b>	21	42,81,94,703	31,50,28,405
<b>2</b>	<b>Other Income</b>	22	31,90,177	24,09,183
	<b>Total Revenue (1+2)</b>		<b>43,13,84,880</b>	<b>31,74,37,588</b>
<b>3</b>	<b>Expenditure;</b>			
	(a) Cost of Materials Consumed	23	1,02,46,237	92,79,340
	(b) Changes in Inventories of work-in-progress	24	(6,04,91,570)	2,42,85,653
	(c) Operating Expenses	25	20,17,78,543	5,11,32,253
	(d) Employee Benefits Expense	26	15,07,67,006	12,12,09,668
	(e) Other Expenses	27	2,91,61,743	3,73,35,742
	(f) Finance Costs	28	64,74,172	18,42,441
	(g) Depreciation and Amortisation Expense	3	1,33,35,613	92,46,581
	<b>Total Expenses</b>		<b>35,12,71,744</b>	<b>25,43,31,678</b>
<b>4</b>	<b>Profit Before Tax</b>		<b>8,01,13,136</b>	<b>6,31,05,910</b>
<b>5</b>	<b>Tax Expense:</b>			
	(a) Current tax expense for current year		1,79,41,432	1,41,80,496
	(b) Deferred tax (Asset) / Liability		(14,95,588)	2,85,158
	(c) MAT credit entitlement		(1,30,39,563)	
<b>6</b>	<b>Net Profit after Tax (4 - 5)</b>		<b>6,36,67,292</b>	<b>6,16,79,819</b>
	Less : Minority Interest		(20,90,144)	(1,036,978)
<b>7</b>	<b>Net Profit after Tax and after Minority Interest</b>		<b>6,57,57,436</b>	<b>6,27,16,797</b>
<b>8</b>	<b>Earnings Per Share (having a face value of Rs.10/-each)</b>	29		
	- Basic and Diluted		8.77	8.36
	<b>No. of Shares</b>		<b>75,00,000</b>	<b>75,00,000</b>

See accompanying notes forming part of the financial statements  
 In terms of our report attached  
 For **SURYANARAYANA & SURESH**  
 Chartered Accountants  
 Firm Reg No: 006631S

For and on behalf of the Board

Sd/-  
**V Nagendra Rao**  
 Partner  
 Membership. No:227679

Sd/-  
**Ravi Vishnu**  
 Chairman & Managing Director  
 DIN 001144902

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

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

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

Place : Hyderabad  
 Date : 29.05.2018

## Statement of changes in Equity

(All amounts in Indian Rupees, except for share data or as otherwise stated)

(Amount in ₹)

Particulars	Equity Share Capital	Other Equity				Total Equity attributable to equity holders of the Company
		Reserves and Surplus				
		Capital Reserve	General Reserve	Retained earnings	Share Premium	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Balance at 1st April, 2016	7,50,00,000	19,25,000	-	1,96,325	7,34,64,090	15,05,85,415
Less: Dividend paid for the year 2015-16	-	-	-	-	-	-
Add: Net profit / Movements during the year	-	-	-	6,27,16,797	-	6,27,16,797
Profit transferred to General reserve	-	-	-	-	-	-
Items of Other comprehensive income directly recognized in retained earnings	-	-	-	(8,49,362)	-	(8,49,362)
<b>Balance as at 31st March, 2017</b>	<b>7,50,00,000</b>	<b>19,25,000</b>	<b>-</b>	<b>6,20,63,760</b>	<b>7,34,64,090</b>	<b>21,24,52,850</b>
<b>Balance at 1st April, 2017</b>	<b>7,50,00,000</b>	<b>19,25,000</b>	<b>-</b>	<b>6,20,63,760</b>	<b>7,34,64,090</b>	<b>21,24,52,850</b>
Less: Dividend paid for the year 2016-17	-	-	-	75,00,000	-	75,00,000
Less: Dividend distribution Tax	-	-	-	15,26,818	-	15,26,818
Add: Net Profit / Movements during the year	-	-	-	6,57,57,436	-	6,57,57,436
Profit transferred to General reserve	-	-	-	-	-	-
Items of Other comprehensive income directly recognized in retained earnings	-	-	-	(21,149)	-	(21,149)
<b>Balance as at 31st March, 2018</b>	<b>7,50,00,000</b>	<b>19,25,000</b>	<b>-</b>	<b>11,87,73,229</b>	<b>7,34,64,090</b>	<b>26,91,62,319</b>

As per our report of even date attached  
For **SURYANARAYANA & SURESH**  
Chartered Accountants  
Firm Reg No: 006631S

For and on behalf of the Board

Sd/-  
**V Nagendra Rao**  
Partner  
Membership. No:227679

Sd/-  
**Ravi Vishnu**  
Chairman & Managing Director  
DIN 001144902

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

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

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

Place : Hyderabad  
Date : 29.05.2018

## Consolidated Cash Flow Statement for the year ended 31 March, 2018

(Amount in ₹)

	Particulars	For the year ended 31 March, 2018	For the year ended 31, March, 2017
<b>A</b>	<b>Cash Flows from operating activities :</b>		
	Profit Before Tax	6,57,57,436	6,27,16,797
	Add: Current Tax Expenses for current year	1,79,41,432	1,41,80,496
	Less: Deffered Tax	(14,95,588)	2,85,158
	Less: Mat Credit Entitlement	-	(1,30,39,563)
	Add : Depreciation	1,33,35,613	92,46,581
	Add : Finance Costs	31,03,147	11,97,625
	Add:Provision for doubtful debts	(37,55,589)	25,13,709
	Less: Interest & other income received	(31,90,177)	(24,09,183)
	<b>Operating Profit before working capital changes</b>	<b>9,16,96,274</b>	<b>7,46,91,620</b>
	Adjustment for (increase)/decrease in operating assets		
	Trade Receivables	7,51,11,784	(5,02,74,170)
	Inventories	(6,02,57,527)	2,39,74,829
	Other Non Current Financial Assets	(35,26,037)	(58,70,782)
	Other Non Current Assets	24,000	32,08,306
	Other Current Assets	54,81,897	8,32,099
	Trade Payables	(1,32,01,784)	86,26,538
	Other Current LiabilitiesTrade Payables	(2,96,56,258)	1,49,59,809
	Changes in Prepaid Taxes	(55,49,906)	(60,92,189)
		(3,15,73,831)	(1,06,35,550)
	<b>Cash Generated From Operations</b>	<b>6,01,22,443</b>	<b>6,40,56,070</b>
	Less : Income Tax Paid	1,20,60,759	11,40,933
	Net cash from operating activities " A "	4,80,61,684	6,29,15,137
<b>B</b>	<b>Cash Flows from Investing activities :</b>		
	Purchase of Fixed Assets	(2,50,33,423)	(2,82,05,772)
	Interest & other income received	31,90,177	24,09,183
	Margin Money Deposits	(1,28,07,053)	(2,07,39,269)
	Fixed Deposits	(3,00,00,000)	-
	Investment	3,33,318	(11,15,820)
	<b>Net cash utilised in investing activities " B "</b>	<b>(6,43,16,981)</b>	<b>(4,76,51,678)</b>
<b>C</b>	<b>Cash Flows from Financing Activities :</b>		
	Proceeds from long term borrowings - ( Net of payments )	49,05,588	22,24,884
	Proceeds from Short term borrowings - ( Net of payments )	2,73,10,821	(1,89,55,769)
	Share Capital	(20,90,144)	61,88,142
	Cash paid for Dividends & Dividend Tax	(90,26,818)	-
	Finance Cost	(31,03,147)	(11,97,625)
	<b>Net Cash used in Financing Activities " C "</b>	<b>1,79,96,300</b>	<b>(1,17,40,368)</b>
	<b>Net ( Decrease ) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>17,41,003</b>	<b>35,23,092</b>
	<b>Cash and Cash Equivalents at the beginning</b>	<b>39,29,098</b>	<b>4,06,006</b>
	<b>Cash and Cash Equivalents at the end</b>	<b>56,70,101</b>	<b>39,29,098</b>

As per our report of even date attached  
For **SURYANARAYANA & SURESH**  
Chartered Accountants  
Firm Reg No: 006631S

For and on behalf of the Board

Sd/-  
**V Nagendra Rao**  
Partner  
Membership. No:227679

Sd/-  
**Ravi Vishnu**  
Chairman & Managing Director  
DIN 001144902

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

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

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

Place : Hyderabad  
Date : 29.05.2018

## 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

#### Basis of Preparation of Financial Statements:

For all periods up to and including the year ended 31st March, 2017 the Company prepared its Financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These Financial statements for the year ended 31st March, 2018 have been prepared in accordance with Indian Accounting Standards (“Ind-AS”) consequent to the notification of the Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. These are the First Ind-AS Financial statements of the Company, wherein the Company has restated its financial statements for the year ended 31st March, 2017 also as per Ind-AS. The Financial statements have been prepared on historical cost basis.

**Reconciliation between financial results previously reported (referred to as Previous GAAP”) and Ind AS for the quarter / year presented are as under:**

(Rs.in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Net Profit under Previous GAAP (After Tax)	576.38	652.66
IND AS Adjustments	(60.29)	35.86
Net Profit under IND AS (After Tax)	636.67	616.80

**Reconciliation between Total Equity previously reported (referred to as “Previous GAAP”) and Ind AS for the quarter / year presented are as under**

Particulars	Total Equity as on 31.03.2018	Total Equity as on 01.04.2017
Total Equity as per previous GAAP	750.00	750.00
IND AS Adjustments	-	-
Total Equity as per IND AS	750.00	750.00

## 2. SIGNIFICANT ACCOUNTING POLICIES:

### a. Property, Plant and Equipment:

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc., upto the date the asset is ready for its intended use. Fixed assets which were revalued are carried at revalued values. Expenditure directly related to expansion projects has been capitalized.

Cost includes non refundable taxes, duties, freight, borrowing costs and other incidental expenses related to the acquisition and installation of the respective assets.

Assets under installation or under construction as at the Balance Sheet date are shown in Capital work-in –progress. Advances paid towards acquisition of assets are shown in Capital Advances.

Fixed assets which are found to be not usable or retired from active use of when no further benefits are expected from their use are removed from the books of account and the difference if any, between the cost of such assets and the accumulated depreciation thereon is charged to Statement of Profit & Loss.

Depreciation on tangible assets is provided under Straight Lime Method over the useful lives of assets estimated by the management. Depreciation on additions/ deletions during a period is charged on pro rata basis from the date of addition or deletion, as the case may be.

### b. Impairment of Assets:

In accordance with Ind AS36, the company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. An asset is treated as impaired when the carrying cost exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in a prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### c. Employee Benefits:

Retirement benefits to employees comprise of payments under Defined Contribution Plans like Provident Fund and payments under Defined Benefit Schemes like Gratuity and Leave encashment.

Payments under defined contribution plans are charged to revenue on accrual. The liability in respect of defined benefit scheme is arrived based on actuarial valuation made at the end of the year by using projected unit credit method.

Short-term employee benefits such as wages, salaries and short-term compensated absences like bonus and other non-monetary benefits are provided for as per Company's Rules on best estimate basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts include in net interest on the net defined benefit liability),

are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

**d. Valuation of Inventories:**

- 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.

**e. Investments:**

Investments intended to be held for more than one year are treated as long term and others as short term. Short-term investments are carried at the lower of cost or quoted / fair value, computed category wise and long-term investments are stated at cost. Provision for diminution in the value of long –term investments is made only if such a decline is other than temporary. As there are no investments made by the Company in any subsidiary or equity instruments, provisions of IND-AS 27 are not applied.

**f. 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.

**g. Prior period expenses / Income:**

The Company follows the practice of making adjustments through “expenses/income under/over provided” in previous years in respect of material transactions pertaining to that period prior to the current accounting year.

**h. Government Grants:**

Government grants available to the company are recognized when there is a reasonable assurance that the conditions attached to the grant will be complied with and reasonably certain that grants will be received.

## i. Tax Expenses

Tax expense for the period comprises current tax and deferred tax. Tax is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

### ◆ Current tax

Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities, based on the tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

### ◆ Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

## j. Foreign Exchange Transactions:

Transactions denominated in foreign currency are accounted for initially at the exchange rate prevailing on the date of transaction. Foreign Currency monetary Assets and Liabilities are translated at year end exchange rates. Fluctuations, if any due to change in exchange rates between the dates of transactions and the dates of crystallization are debited / credited to Statement of Profit & Loss.

## k. 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:

### 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.

### 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.

**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.

**Dividends**

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

**i. Borrowing Costs:**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**m. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is possible that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes on accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

**n. Earnings per Share:**

The basic Earnings Per Share (“EPS”) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax but before OCI for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential of equity shares.

**SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

Preparation of the financial statements requires management to make judgments, estimates and assumptions, as described below, that affect the reported amounts and the disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and reviewed at each Balance Sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures.



## Notes forming part of the Financial Statements

### 1. Corporate Information

### 2. Significant Accounting Policies

### 3. Fixed Assets

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
- Tangible Assets	2,90,30,846	2,38,43,626	1,99,01,507
- Capital Work in Progress	1,31,46,129	-	-
- In Tangible Assets	2,25,52,215	2,91,87,754	1,41,70,682
<b>Total</b>	<b>6,47,29,190</b>	<b>5,30,31,380</b>	<b>3,40,72,189</b>

### 4. Investments

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>Other Investments</b>	7,82,502	11,15,820	-
<b>Total</b>	<b>7,82,502</b>	<b>11,15,820</b>	-

### 5. Deposits

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
( Unsecured, considered good, recoverable in cash or in kind for value to be received )			
(a) Deposits			
Deposits - APCPDCL	42,426	42,426	42,426
Deposits - Electricity	5,32,255	5,32,255	4,89,455
Retension Money - PSPCL	1,52,18,580	1,15,58,061	77,24,716
Deposits - Others	11,27,039	2,45,069	2,50,432
Deposits - Performance Guarantees	1,17,26,695	1,27,26,695	1,07,26,695
Deposits - Rent	11,20,337	11,36,789	11,36,799
(b) Prepaid Taxes (Net of Provision)	-	-	1,41,83,840
(c) Mat Credit	-	-	57,00,000
(d) Provision for Tax Liability	-	-	(1,98,83,840)
<b>Total</b>	<b>2,97,67,332</b>	<b>2,62,41,295</b>	<b>2,03,70,523</b>

### 6. Deferred Tax Liability

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Opening Balance	1,63,04,755	35,50,350	(51,35,293)
Add: On account of Deferred Revenue Expenditure	-	-	(10,95,339)
Add: On account of difference of Depreciation	14,95,588	(2,85,158)	18,58,161
Deferred Tax Liability			22,22,821
Mat Credit	-	1,30,39,563	57,00,000
<b>Net Deferred Tax Liability</b>	<b>1,78,00,343</b>	<b>1,63,04,755</b>	<b>35,50,350</b>

(Amount in ₹)

**3. FIXED ASSETS**

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK	
	Balance As at 01.04.2017	Additions	Disposals	Balance As at 01.04.2017	Disposals For the year	Balance As at 31.03.2018	Balance As at 31.03.2018	Balance As at 31.03.2017
<b>(i) TANGIBLE ASSETS</b>								
Land	13,31,295	-	-	-	-	-	13,31,295	13,31,295
Computer / Hardware	10,53,34,949	1,08,32,410	-	9,57,28,832	36,60,960	9,93,89,792	1,67,77,567	96,06,117
Furniture and fixtures	1,74,21,068	2,00,052	-	1,41,02,744	4,62,919	1,45,65,663	30,55,457	33,18,324
Electrical Fittings	1,94,35,510	1,99,260	-	1,49,21,524	8,34,442	1,57,55,966	38,78,804	45,13,986
Vehicles	29,78,350	-	-	27,60,247	10,424	27,70,671	2,07,679	2,18,103
Office Equipment	1,37,01,993	1,75,425	-	88,46,192	12,51,182	1,00,97,374	37,80,044	48,55,801
Library Books	8,65,901	-	-	8,65,901	0	8,65,901	-	-
<b>Total</b>	<b>16,10,69,066</b>	<b>1,14,07,147</b>	<b>-</b>	<b>13,72,25,440</b>	<b>62,19,927</b>	<b>14,34,45,367</b>	<b>2,90,30,846</b>	<b>2,38,43,626</b>
Previous Year Total	15,25,55,708	85,13,358	-	13,26,54,201	45,71,239	13,72,25,440	2,38,43,626	-
<b>(ii) INTANGIBLE ASSETS</b>								
Computer Software	9,89,11,484	4,80,147	-	6,97,23,730	71,15,686	7,68,39,416	2,25,52,215	2,91,87,754
<b>Total</b>	<b>9,89,11,484</b>	<b>4,80,147</b>	<b>-</b>	<b>6,97,23,730</b>	<b>71,15,686</b>	<b>7,68,39,416</b>	<b>2,25,52,215</b>	<b>2,91,87,754</b>
Previous Year Total	7,92,19,070	1,96,92,414	-	6,50,48,388	46,75,342	6,97,23,730	2,91,87,754	-
<b>Total</b>	<b>25,99,80,550</b>	<b>1,18,87,294</b>	<b>-</b>	<b>20,69,49,170</b>	<b>1,33,35,613</b>	<b>22,02,84,783</b>	<b>5,15,83,061</b>	<b>5,30,31,380</b>
Previous Year Total	23,17,74,778	2,82,05,772	-	19,77,02,589	92,46,581	20,69,49,170	5,30,31,380	-

## Notes forming part of the Financial Statements

### 7. Other Non-Current Assets

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(a) Advance for Capital goods	-	24,000	34,776
(b) Advance to subsidiary (Refer.Note 12.1)	25,000	25,000	-
(c) Deferred Revenue Expenditure	-	32,22,530	64,45,066
Less : Written off during theyear	-	(32,22,530)	(32,22,536)
<b>Total</b>	<b>25,000</b>	<b>49,000</b>	<b>32,57,306</b>

### 8. Inventories (As valued and certified by Management)

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(As valued and Certified by Management)			
(a) Consumables	2,09,626	4,43,669	1,32,845
(b) Work-in-progress	8,91,35,006	2,86,43,436	5,29,29,089
<b>Total</b>	<b>8,93,44,632</b>	<b>2,90,87,105</b>	<b>5,30,61,934</b>

### 9. Trade Receivables

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
Unsecured, considered good	5,87,73,883	4,01,09,881	1,14,58,699
Doubtful	-	75,68,012	-
	5,87,73,883	4,76,77,893	1,14,58,699
Less: Bad debts written off	-	75,68,012	-
	5,87,73,883	4,01,09,881	1,14,58,699
Other Trade Receivables			
Unsecured, considered good	4,06,28,522	13,06,48,718	11,15,39,439
<b>Total</b>	<b>9,94,02,405</b>	<b>17,07,58,599</b>	<b>12,29,98,138</b>

### 10. Cash and Cash equivalents

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(i) Cash on hand	3,070	4,998	35,825
(ii) Balances with banks			
(a) Current accounts	56,67,031	37,36,280	3,70,181
(b) Cash Credit Account	-	1,87,820	-
<b>Total</b>	<b>56,70,101</b>	<b>39,29,098</b>	<b>4,06,006</b>

### 11. Other Bank Balances

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Margin Money for Bank Guarantees	3,94,53,250	2,66,46,197	59,06,928
Fixed Deposits	3,00,00,000	-	-
<b>Total</b>	<b>6,94,53,250</b>	<b>2,66,46,197</b>	<b>59,06,928</b>

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

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(Unsecured, considered good) Loans and Advances	39,83,987	23,17,561	14,46,737
Advance for services and other expenses	3,85,721	76,43,457	92,79,512
<b>Total</b>	<b>43,69,707</b>	<b>99,61,018</b>	<b>1,07,26,249</b>

**13. Other Current Assets**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Prepaid Expenses	5,30,369	4,20,955	4,87,823
<b>Total</b>	<b>5,30,369</b>	<b>4,20,955</b>	<b>4,87,823</b>

**14. Current Tax Assets (Net)**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Current tax Asset (Net)	-	-	1,98,83,840
Other Current Assets	60,35,187	63,87,104	(5,700,000)
<b>Total</b>	<b>60,35,187</b>	<b>63,87,104</b>	<b>1,41,83,840</b>

**15. Share Capital**

(Amount in ₹)

Particulars	As at March, 2018		As at 31 March 2017		As at 01 April, 2016	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
(a) Authorised Share Capital 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	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	75,00,000	7,50,00,000
<b>TOTAL</b>		<b>7,50,00,000</b>		<b>7,50,00,000</b>		<b>7,50,00,000</b>

**(i) Reconciliation of Shares**

Reconciliation of Number of Equity Shares outstanding at the Beginning and at the End of the Year

Particulars	As at March, 2018		As at 31 March 2017		As at 01 April, 2016	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
<b>Equity Shares</b>						
At the Beginning of the Year	75,00,000	7,50,00,000	75,00,000	7,50,00,000	75,00,000	7,50,00,000
Add / (Less) : Addition / (reduction) during the Year	-	-	-	-	-	-
<b>At the End of the Year</b>	<b>75,00,000</b>	<b>7,50,00,000</b>	<b>75,00,000</b>	<b>7,50,00,000</b>	<b>75,00,000</b>	<b>7,50,00,000</b>

(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 Mar, 2018	As at 31 Mar, 2017	As at 01 April, 2016	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 01 April, 2016
	No. of Shares			% held		
Sri. Ravi Vishnu	8,50,539	8,50,539	8,50,539	11.34	11.34	11.34
Sri. D. Vikram Reddy	7,40,500	7,40,500	7,40,500	9.87	9.87	9.87
Sri. R. Radha Krishna Murthy	5,41,100	5,41,100	5,41,100	7.21	7.21	7.21
Sri. A. Bhopal Reddy	4,46,725	4,77,000	4,81,400	5.96	6.36	6.42

**16. Reserves and Surplus**

(Amount in ₹)

Particulars	As at March, 2018		As at 31 March 2017		As at 01 April, 2016	
(a) Share Premium						
Opening balance	7,34,64,090		7,34,64,090		7,34,64,090	
Add: Additions during the year	-		-		-	
Closing balance		7,34,64,090		7,34,64,090		7,34,64,090
(b) Capital Reserve		19,25,000		19,25,000		19,25,000
(c) Surplus / (Deficit) in Statement of Profit and Loss						
Balance at the beginning of the year	6,20,63,760		196,325		(31,050,782)	
Less: Dividend for the FY 2016-17	75,00,000		-			
Less: Dividend distribution Tax	15,26,818					
Add: Profit for the year	6,57,57,436		6,27,16,797		3,55,63,914	
Items of Other comprehensive income directly recognized in retained earnings	(21,149)		(849,362)		(4,316,807)	
Closing Balance		11,87,73,229		6,20,63,760		1,96,325
<b>TOTAL</b>		<b>19,41,62,319</b>		<b>13,74,52,850</b>		<b>7,55,85,415</b>

**17. Long Term Borrowings**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>i) Secured</b>			
From Banks			
Term Loan from State Bank of India	-	-	45,331
<b>ii) Un-Secured</b>			
From Non Banking Financial Institutions	91,18,357	42,12,769	19,42,554
<b>Total</b>	<b>91,18,357</b>	<b>42,12,769</b>	<b>19,87,885</b>

**18. Short Term Borrowings**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Secured: From Banks			
State Bank of India - (Loan against our Deposits) (Refer Note 18.1)	2,73,10,821	-	1,89,55,769
<b>Total</b>	<b>2,73,10,821</b>	<b>-</b>	<b>1,89,55,769</b>

18.1. During the financial year 2017-18, Company has taken loan of Rs 2,70,00,000/- from State Bank of India, Balanagar branch against Fixed Deposit with the same Bank Rs 3,00,00,000/-. The said loan is carrying interest @ 6.25% p.a.

**19. Trade Payables:**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Creditors for Services	3,92,31,074	5,28,97,556	4,46,53,187
Creditors for Consumables	30,41,236	21,71,206	23,58,631
Creditors for Expenses	3,41,231	7,46,563	1,76,969
<b>Total</b>	<b>4,26,13,541</b>	<b>5,58,15,325</b>	<b>4,71,88,787</b>

**20. Other Current Liabilities**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(a) Current Maturities of Long-Term Debt - From Banks			
i) Secured			
i) From Banks			
Term Loan from State Bank of India	-	-	19,68,125
ii) Un-Secured			
From Non Banking Financial Institutions	77,96,627	42,40,917	11,09,364
(b) Other payables			
(i) Statutory remittances			
Service tax Payable	-	3,74,85,061	2,50,38,783
GST Payable	1,00,81,781	-	-
Tds Payable	17,31,961	17,69,434	27,50,710
Sales Tax Payable	-	-	1,62,457
ESI Payable	21,61,553	51,77,226	50,57,718
PF Payable	23,19,898	86,41,891	78,17,514
Professional Tax Payable	23,840	40,660	3,840
Un Claimed Dividend FY 2016-17	3,37,149	-	-
Proposed for Dividend Distribution Tax FY 2016-17	-	-	-
(ii) Payables on purchase of fixed assets	8,30,290	7,67,240	4,38,895
(iii) Advance from Customers	56,66,894	56,66,894	42,37,529
(iv) Other Liabilities	46,56,989	14,73,916	17,18,495
<b>Total</b>	<b>3,56,06,981</b>	<b>6,52,63,239</b>	<b>5,03,03,430</b>

**21. Revenue from operations**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
<b>Revenue from Operations</b>		
- Domestic	49,79,97,372	34,47,06,581
- Exports	52,28,055	1,53,85,080
<b>Total Gross Revenue</b>	<b>50,32,25,426</b>	<b>36,00,91,661</b>
Less: Service Tax	87,85,530	4,50,63,256
Less: GST	6,62,45,193	-
<b>Total Tax Amount</b>	<b>7,50,30,723</b>	<b>4,50,63,256</b>
<b>Net Revenue</b>	<b>42,81,94,703</b>	<b>31,50,28,405</b>

**22. Other Income**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Interest Income	31,90,177	20,32,983
(b) Interest on Income Tax Refund	-	3,76,200
<b>Total</b>	<b>31,90,177</b>	<b>24,09,183</b>

**23 Cost of Materials Consumed**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Opening stock	4,43,669	1,32,845
Add: Purchases	1,00,12,194	95,90,164
<b>Total</b>	<b>1,04,55,863</b>	<b>97,23,009</b>
Less: Closing stock	2,09,626	4,43,669
<b>Total</b>	<b>1,02,46,237</b>	<b>92,79,340</b>

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

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Inventories at the end of the year:		
Work-in-progress	8,91,35,006	2,86,43,436
	8,91,35,006	2,86,43,436
Inventories at the beginning of the year:		
Work-in-progress	2,86,43,436	5,29,29,089
	2,86,43,436	5,29,29,089
<b>Net (Increase) / Decrease</b>	<b>(60,491,570)</b>	<b>2,42,85,653</b>

**25 . Operating Expenses**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Sub Contracting Expenses	19,96,58,416	4,84,38,126
Repairs to Plant & Machinery	13,03,472	17,09,641
Power & Fuel	4,17,629	4,57,193
Frieght	3,99,026	5,27,293
<b>Total</b>	<b>20,17,78,543</b>	<b>5,11,32,253</b>

**26 Employee Benefits Expense**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Salaries and Wages	13,45,71,019	10,76,96,461
Contributions to Provident Fund & other funds	1,53,83,027	1,30,17,987
Staff Welfare expenses	8,12,960	4,95,220
<b>Total</b>	<b>15,07,67,006</b>	<b>12,12,09,668</b>

**27 Other Expenses**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Rent	35,79,732	34,82,217
Repairs and Maintenance	14,59,056	14,14,630
Insurance	2,23,530	2,35,499
Rates and Taxes	1,30,992	3,41,724
Communication Expenses	21,17,232	18,81,403
Travelling and Conveyance	26,99,764	32,79,153
Business promotion Expenses	4,16,535	26,47,643
Legal and professional Expenses	90,23,123	78,15,277
Payment to Auditors (Refer Note: 27.1)	4,00,000	4,00,000
Bad Debts written off	-	75,68,012
Deferred Revenue Expenditure written off	-	32,22,530
Amounts written off	-	-
Loss on Foreign Fluctuation	1,12,426	34,509.00
Interest on GST	9,32,139	-
Interest on Service Tax	67,52,247	-
Interest on delayed payments of EPFO	18,44,839	-
Service Tax Penalty	68,600	-
Miscellaneous expenses	19,94,516	15,40,790
Bank Charges	11,62,600	9,49,052
Prior period items	-	9,594
Provision for doubtful debts	(3,755,589)	25,13,709
<b>Total</b>	<b>2,91,61,743</b>	<b>3,73,35,742</b>

**27.1. Auditors Remuneration (Excluding Goods & Service Tax)**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
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>

**28 Finance Cost**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Interest on Income Tax / TDS	30,60,204	1,53,030
Interest on Loans	31,03,147	11,97,625
Interest on Working Capital Loans	3,10,821	4,91,786
<b>Total</b>	<b>64,74,172</b>	<b>18,42,441</b>

**29. Earnings Per Share**

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Net profit for basic EPS	6,57,57,436	6,27,16,797
Weighted average Number of equity shares	75,00,000	75,00,000
Per value per share	10.00	10.00
<b>Annualized Basic Earning per share</b>	<b>8.77</b>	<b>8.36</b>



## Notes to the Financial Statements

### 30. Contingent Liabilities not acknowledged as debt:

	2017-18	2016-17
	Rs	Rs
a) <b>Bank Guarantees</b>	3,70,75,566	2,49,13,404
b) <b>Income Tas (TDS)</b>		

The Company has received demand notice for Rs. 17,36,296/- towards penalty and Interest for late payment/filing of TDS return for the years from 2007- 08 to 2016-17.

The Company has filed appeals against the said notices and the Management is confident of winning the appeal. Hence no provision made in the books of account.

### c) **Provident Fund**

The Company has received Order towards levy of Damages for the period August 2008 to December 2015 for Rs. 29,04,703/-.

The Company has filed appeal against the said Order and the Management is confident of winning the appeal. Hence no provision made in the books of account

### 31. Related Party Transactions:

#### A. Related Parties and their Relationship

(As identified and certified by the Management)

- |                                    |                                  |
|------------------------------------|----------------------------------|
| I. Subsidiary Company              | : a) Cosyn LLC, Texas, USA       |
|                                    | : b) WelltoDesk Inc, Texas, USA. |
| II. 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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Remuneration & Perquisites	--	--	54,85,532/-	30,01,960/-

### 32. 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

**33. 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.

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

**35.** 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 35 form part of the Balance Sheet and have been authenticated.

In terms of our report attached  
 For **SURYANARAYANA & SURESH.**,  
 Chartered Accountants  
 Firm Reg.No. 006631S

For and on behalf of the Board

Sd/-  
**V. Nagendra Rao**  
 Partner  
 Membership No: 227679

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: 29.05.2018

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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, e-mail: comsec@cosyn.in

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

**ATTENDANCE 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 29-09-2018 at 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.

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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 of the member(s) :
Registered Address :
E-mail id :
Folio No. /DP Id & Client Id :

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

1. Name \_\_\_\_\_ Address \_\_\_\_\_

Email ID \_\_\_\_\_ Signature \_\_\_\_\_ or failing him / her

2. Name \_\_\_\_\_ Address \_\_\_\_\_

Email ID \_\_\_\_\_ Signature \_\_\_\_\_ or failing him / her

3. Name \_\_\_\_\_ Address \_\_\_\_\_

Email ID \_\_\_\_\_ Signature \_\_\_\_\_ or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on the 29th day of September 2018 at 10.00 A.M. at Jubilee Hills International Center, Jubilee Hills, Hyderabad – 500 033 and at any adjournment thereof in respect of the resolutions as indicated below:

Ordinary Business:

- 1) To receive, consider and adopt:
a) The Audited Financial Statements of the Company for the financial year ended 31st March, 2018, including the Audited Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date and reports of the Board of Directors and Auditors thereon.
b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018, together with the Report of the Auditors thereon.
2) To declare final dividend of Rs. 1.00/- (10%) per Equity Share of Rs. 10/- each to the shareholders for the financial year 2017-18
3) To appoint a Director in place of Mrs. Ravi Kasturi (DIN 01936068) who retires by rotation and being eligible, offers herself for re-appointment.
4) Ratification of appointment of M/s. Suryanarayana & Suresh., Chartered Accountants (ICAI Reg. No. 006631S) as the Statutory Auditors of the Company.



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

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, 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

Name and registered address of the sole/first : named Member (in block letters)	
Name(s) of the joint Member(s), if any : (in block letters)	
Registered Folio No. / DP ID No./ Client ID No.*	
Number of equity shares held : (* Applicable to investors holding shares in dematerialized form)	

I/we hereby exercise my/our vote in respect of the following resolutions to be passed 24th Annual General Meeting of the company to be held on Saturday, 29th September 2018 at Jubilee Hills International Centre, Jubilee Hills, Hyderabad-500033,India for the business stated in the Notice of the Company dated 14-8-2018 by sending my / our assent or dissent to the said ordinary resolution by placing tick(✓)(x)mark at the appropriate box below:

Resolution	Resolution Item	No of Shares held	I/We assent to the Resolution	I/We dissent to the Resolution
------------	-----------------	----------------------	----------------------------------	--------------------------------------

#### Ordinary Business

ITEM - 1	Adoption of the standalone and consolidated audited balance sheet, statement of profit and loss, accounts for FY2017-18, 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, 2018.			
ITEM - 3	Appointment of Mrs. Ravi Kasturi as Director who retires by rotation and offers herself for re-appointment			
ITEM - 4	Ratification of appointment of M/s Suryanarayana & Suresh as Statutory Auditors of the Company			

Place:

Date:

Signature of the Shareholder

Note: Last date for receipt of Postal Ballot forms by the Scrutinizer is 26th September 2018.



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**COSYN LIMITED**

CIN : L72200TG1994PLC01715

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

Ph : +91 -40-2323 0305/6, Fax : +91 -40-2323 0313

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[www.cosyn.in](http://www.cosyn.in)