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## 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 Woman Director
Mr. Rama Rao Karumanchi	: Independent Director
Mr. V. Siva Rama Krishna Murthy	: Independent Director
Mr. P Venkata Rao	: Independent Director (Resigned w.e.f 12.08.2019)
Mr Sridhar Borapureddi	: Independent Director (w.e.f 12.08.2019)
<b>Company Secretary &amp; Compliance Officer</b>	: Smt. Ankita Gupta
<b>Chief Financial Officer</b>	: Mr. Kadari Raghupathi Rao
<b>Registered Office</b>	: 3rd Floor, TP House, D.No 1- 98/9/J/15, Plot No 15(P) Jaihind Enclave, Madhapur, Hyderabad Rangareddy TG 500081 Tel: +91 733 066 6517-20 Fax: +91-40-4000 9888
<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: +91-40-2354 5913, 2354 5914 Fax: +91-40-2355 3214
<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 25th Annual General Meeting of the members of Cosyn Limited (CIN: L72200TG1994PLC017415) will be held on Monday, the 30th day of September, 2019 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, 2019, including the Audited Balance Sheet as at 31st March, 2019, 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 there on.
  - b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019, together with the Report of the Auditors thereon.
2. To declare final dividend of Rs. 0.50 (5%) per Equity Share of Rs.10/-each to the shareholders for the financial year 2018-19.
3. To appoint a Director in place of Mr. Aruva Bhopal Reddy (DIN 01119839) who retires by rotation and being eligible, offers himself for re-appointment.
4. To fix remuneration of Statutory Auditors M/s. Suryanarayana & Suresh., Chartered Accountants (ICAI Reg. No. 006631S) Hyderabad, for the Financial Year 2019-20.

For the Financial Year 2019-20 the Board recommends Statutory Auditors remuneration Rs. 4,00,000/- (Rupees Four Lakhs Only).

### SPECIAL BUSINESS:

5. To re-appoint Mr. Vankineni Siva Ramakrishna Murthy (DIN: 03642007) as an Independent Director and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Vankineni Siva Ramakrishna Murthy (DIN: 03642007), who was appointed as an Independent Director for a term of five(5) consecutive years from 30th September, 2014 to 29th September, 2019, being eligible, be

and is hereby re-appointed as a Non - Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of three(3) consecutive years i.e. from 30th September, 2019 up to 29th September, 2022.

6. To appoint Mr. Sridhar Borapureddi (DIN: 02137228) as Director and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

**"RESOLVED THAT** Mr. Sridhar Borapureddi (DIN: 02137228) who was appointed by the Board of Directors as Additional Director of the Company with effect from 12th August, 2019 pursuant to the Articles of Association of the Company, holds office up to the date of the 25th Annual General Meeting (AGM) of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") or any statutory modification thereof or any re-enactment of the said Act, be and is hereby appointed as Director of the Company.

7. To appoint Mr. Sridhar Borapureddi (DIN: 02137228) as an Independent Director and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the said Act, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sridhar Borapureddi (DIN: 02137228) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a period of Five(5) consecutive years with effect from 12th August, 2019 up to 11th August, 2024.

8. **To Re-appoint Mr. Ravi Vishnu(DIN 01144902) as the Managing Director and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Schedule V (as amended from time to time) to the said Act, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, consent of the members be and is hereby accorded for the re-appointment of Mr. Ravi Vishnu (DIN 01144902) as Chairman cum Managing Director of the Company as approved by the Board of Directors on recommendation made by Nomination and Remuneration Committee, liable to retire by rotation, for a period of Three years (3) with effect from 15th January, 2020 at such remuneration and upon such terms and conditions as detailed below:

**I. Basic Salary**

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

**II. Allowances and Perquisites**

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

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

Reimbursement of Club expenditure for a maximum of two Clubs.

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

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

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service subject to a maximum of Rs. 20 Lakhs.

Leave encashment at the end of tenure.

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

Use of Company's car and Communication facility at his residence.

**I. Overall Remuneration**

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

#### IV. Minimum Remuneration

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

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

#### 9. To Re-appoint Mr. Aruva Bhopal Reddy (DIN: 01119839) as Executive Director and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Schedule V (as amended from time to time) to the said Act, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, consent of the members be and is hereby accorded for the re-appointment of Mr. Aruva Bhopal Reddy (DIN 01119839) as Executive Director of the Company as approved by the Board of Directors on recommendation made by Nomination and Remuneration Committee, liable to retire by rotation, for a period of Two(2) years with effect from 12th August, 2019 at such remuneration and upon such terms and conditions as detailed below:

#### V. Basic Salary

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

#### VI. Allowances and Perquisites

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

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

Reimbursement of Club expenditure for a maximum of two Clubs.

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

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

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service subject to a maximum of Rs. 20 Lakhs.

Leave encashment at the end of tenure.

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

Use of Company's car and Communication facility at his residence.

**VII. Overall Remuneration**

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

**VIII. Minimum Remuneration**

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

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

By order of Board of Directors

Place: Hyderabad  
Date: 12.08.2019

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 24th September, 2019 to 30th September, 2019 (both days inclusive) for Annual closing and determining the entitlement of the shareholders for the final dividend for 2018- 19.
  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 23rd September, 2019.
    - 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 23rd September, 2019.
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 hand over 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, 2018 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 25th Annual General Meeting and the Annual Report 2018-19 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 Mr. A.S. Ramkumar and/or Mr. Arun Marepally, Partners of 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, there after 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 25th 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 23rd September 2019 (cut-off date), are entitled to vote on the resolutions set forth in this Notice.

### PROCEDURE FOR E-VOTING:

Instructions for members 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.

- (i) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - 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**

<b>PAN</b>	<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.</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>
<b>Dividend Bank Details or Date of Birth (DOB)</b>	<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 wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (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.
- (xii) 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 25th 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 23rd September,2019.
- 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 25th 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 declared 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

Place: Hyderabad  
Date: 12.08.2019

Sd/-  
**Ravi Vishnu**  
Managing Director  
DIN:01144902

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

### ITEM NO. 5

In terms of Section 149(10) of the Companies Act 2013 ("Act"), an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a special resolution by the Company for a second term of up to five years.

Mr. Vankineni Siva Ramakrishna Murthy, age 71 years (DIN:03642007) was appointed as an Independent Director (Non-Executive) of the Company for a period of five (5) years from 30th September, 2014 to 29th September, 2019. His term as an Independent Director of the company will end by 29th September, 2019.

The Nomination and Remuneration Committee on the basis of performance evaluation, recommended re-appointment of Mr. Vankineni Siva Ramakrishna Murthy as a Non-Executive Independent Director for a second term of three(3) consecutive years on the Board of the Company from 30th September, 2019. The Board of Directors ("Board"), in its meeting held on 12th August, 2019 reviewed the declaration made by Mr. Vankineni Siva Ramakrishna Murthy that he meets the criteria of independence as provided in Section 149(6) of the Act and under "LODR" and was of opinion that he fulfills the conditions specified in the Act, the rules made there-under and in LODR and is independent of the management. The Board accordingly re-appointed him as a Non- Executive Independent Director not liable to retire by rotation for a further period of three (3) years from 30th September, 2019 up to 29th September, 2022.

His vast and varied experience in the business and corporate world justifies his re-appointment and continuance as an Independent Director of the Company. His contribution towards deliberations in Board/Committee meetings has been beneficial to the Company and the Company looks up to him for advice. The special resolution is accordingly recommended for approval of the members. The above may also be regarded as set out in Item No. 5 of the Notice as an appropriate disclosure under the Act and LODR.

None of the Directors nor Key Managerial Personnel or their relatives are concerned or interested, whether financially or otherwise in the said resolution.

### ITEM NO. 6

The Board of Directors of the Company on 12th August, 2019 appointed Mr. Sridhar Borapureddi (DIN: 02137228) as an Additional Director designated as Non-Executive Independent Director of the Company w.e.f 12th August, 2019 and to hold the office up to the date of ensuing Annual General Meeting.

Upon recommendation of Nomination and Remuneration Committee, the Board recommends appointing him as Director of the Company considering his vast experience in the corporate sector.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is concerned or interested in the Resolution.

#### **ITEM NO. 7**

The Board of Directors of the Company on 12th August, 2019 appointed Mr. Sridhar Borapureddi (DIN: 02137228) as an Additional Director designated as Non-Executive Independent Director of the Company w.e.f 12th August, 2019 and to hold the office up to the date of ensuing Annual General Meeting.

Having regard to his vast corporate experience, the Nomination and Remuneration Committee recommended and advised the Board to appoint him as Independent Director to avail the benefit of his expertise and experience which would help the Company in consolidating the further growth of the Company. He fulfills the criteria stipulated in the Companies Act, 2013 and under SEBI (LODR) Regulations, 2015 with regard to the appointment of Independent Directors. He is independent of the Management.

A copy of the draft letter of appointment setting out the terms and conditions of his appointment as Independent Director is available for inspection at the Registered Office of the Company during normal business hours on working days.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is concerned or interested in the Resolution.

#### **ITEM NO. 8**

The present term of Mr. Ravi Vishnu (DIN 01144902) as the Managing Director will end owing to efflux of time as at close of business on 14th January 2020. Item No. 8 of the Notice convening the 25th AGM pertains to his re-appointment as a Managing Director for a period of three(3) years from 15th January 2020.

In view of the above, the Board, based upon a recommendation of its Nomination and Remuneration Committee proposes General Body approval by Special Resolution to his re-appointment as a Chairman cum Managing Director for a further period of three (3) years at such remuneration and terms and condition as set out in item No. 8 of the Notice of this AGM. The remuneration being offered is in line with the Company's Remuneration Policy as well as present corporate remuneration trends taking due account of his rich back ground, experience and time devoted.

Ravi Vishnu was originally appointed as Managing Director w.e.f 15th January, 2015 for a

period of five (5) years. He holds 850539 Equity shares of Rs. 10/- each of the company. Brief particulars of himself as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 are incorporated in the Report on Corporate Governance. Information required to be disclosed under the provisions of the Second Proviso to Section-II(B), Part-II of Schedule V of the Act is as follows:

- i. The proposed remuneration has been approved by the Nomination and Remuneration Committee as well as the Board;
- ii. The Company has not defaulted in the payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor;
- iii. A Special Resolution is being passed at the forthcoming Annual General Meeting for payment of the remuneration for a period not exceeding three years;
- iv. A statement containing further specified information is set out hereunder:

#### **I. General Information:**

##### **(1) Nature of industry:**

The Company is into the business of information technology.

##### **(2) Date or expected date of commencement of commercial production :**

The Company was incorporated on 25th April, 1994. The date of commencement of commercial production was 25th April, 1994.

##### **(3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable**

##### **(4) Financial performance based on given indicators:**

Particulars	Amount (Rs. in lakhs)
Revenue from operations	3957.12
Profit/(Loss) before Exceptional items & Tax	337.01
Exceptional Items	0.00
Profit/(Loss) before Tax	337.01
Tax Expenses	103.05
Profit/(Loss) for the Year	233.96
Equity Share Capital	750.00

##### **(5) Foreign investments or collaborations, if any:** During the year the company has made additional foreign investment in its Subsidiary Company.

**(1) Information about the appointee:**

- (1) Background details : Mr. Ravi Vishnu holds Bachelor of Engineering in Electrical Engineering from Osmania University and Master of Engineering (M.E.) in Computer Science from PSG College of Technology. He has over 35 years of experience in multiple domains of information technology and has in depth functional knowledge of various businesses. He has good financial acumen and is well versed with the finer points of corporate governance.
- (2) Past remuneration : Rs. 58,89,589/- for the FY 2018-19.
- (3) Recognition or awards : Mr. Ravi Vishnu is a member of several corporate bodies and actively involved in multiple Institutions / Corporate Bodies.
- (4) Job profile and his suitability : He is entrusted with the management of the whole of the affairs of the Company being the Managing Director of the company. Within the above parameters, he performs such duties as are or may be entrusted to him by the Board or its Committees from time to time.
- (5) Remuneration proposed : As set out in Item No. 8 of the Notice of the Annual General Meeting.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of her origin) : Remuneration is in line with that drawn by his peers in Industry.
- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Nil

**II. Other Information:****1. Reasons of Loss or Inadequate Profits:**

At present the financial performance of the Company is good and possesses adequate profits. The Company's Earnings Before Interest, Depreciation, Taxation and other Amortizations ("EBIDTA") are positive.

**2. Steps taken or proposed to be taken for improvement:**

Management continues to put in best efforts to optimally utilize Company's capacities by foraying into new markets and also by working on developing value-added products for the existing customers in the current markets.



**3. Expected increase in productivity and profits in measurable terms:**

The above measures undertaken are expected to yield positive results in the coming years. While it is difficult to give precise figures, the above initiatives are expected to improve the financial performance of the Company.

**III. Disclosures:**

The required disclosures are given in the Report on Corporate Governance annexed to the Directors' Report.

The Company accordingly commends for general body acceptance of the Special Resolution set out in Item No. 8 of the Notice convening the Company's 25th AGM. Other than Ravi Kasturi and promoter group relating to Mr. Ravi Vishnu, no other Director or Key Managerial Personnel, Promoters or any of their relatives has any concern or interest, financial or otherwise in the Resolution.

**ITEM NO. 9**

The present term of Mr. Aruva Bhopal Reddy (DIN: 01119839) as the Executive Director has come to an end as on 06th August, 2019. Item No. 9 of the Notice convening the 25th AGM pertains to his re-appointment as a Executive Director for a period of Two (2) years with effect from 12th August, 2019.

In view of the above, the Board, based upon the recommendation of its Nomination and Remuneration Committee proposes General Body approval by Special Resolution to his re-appointment as a Executive Director for a further period of two (2) years at such remuneration and terms and condition as set out in item No. 9 of the Notice of this AGM.

The remuneration being offered is in line with the Company's Remuneration Policy as well as present corporate remuneration trends taking due account of his background, experience and time devoted.

Mr. Aruva Bhopal Reddy originally appointed as Executive Director w.e.f 07th August 2014 for a period of five (5) years. He holds 418803 Equity shares of Rs. 10/- each of the Company. Brief particulars of himself as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 are incorporated in the report on Corporate Governance.

Information required to be disclosed under the provisions of the Second Proviso to Section-II(B), Part-II of Schedule V of the Act is as follows:

- i. The proposed remuneration has been approved by the Nomination and Remuneration Committee as well as the Board;

- ii. The Company has not defaulted in the payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor;
- iii. Special Resolution is being passed at the forthcoming Annual General Meeting for payment of the remuneration for a period not exceeding two years;
- iv. A statement containing further specified information is set out hereunder:

## **I. General Information:**

### **(1) Nature of industry:**

The Company is into the business of information technology.

### **(2) Date or expected date of commencement of commercial production:**

The Company was incorporated on 25th April, 1994. The date of commencement of commercial production is 25-04-1994

### **(3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable**

### **(4) Financial performance based on given indicators:**

Particulars	Amount (Rs. in lakhs)
Gross Revenue from operations	3957.12
Profit/(Loss) before Exceptional items & Tax	337.01
Exceptional Items	0.00
Profit/(Loss) before Tax	337.01
Tax Expenses	103.05
Profit/(Loss) for the Year	233.96
Equity Share Capital	750.00

### **(5) Foreign investments or collaborations, if any : During the year the Company has made additional foreign investment in its Subsidiary Company.**

## **II. Information about the appointee:**

### **(1) Background details:**

Aruva Bhopal Reddy is a post graduate in Applied Geology from IIT, Kharagpur having 34 years of experience in multiple business areas.

- (2) Past remuneration : Rs. 44,12,551/- for the FY 2018-19.
- (3) Recognition or awards : Nil
- (4) Job profile and his suitability : He is entrusted with the operations of the Company being the Executive Director of the Company. Within the above parameters, he performs such duties as are or may be entrusted to him by the Board or its Committees from time to time.
- (5) Remuneration proposed : As set out in Item No. 9 of the Notice of the Annual General Meeting.
- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of her origin) : Remuneration is in line with that drawn by his peers in Industry.
- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any : Nil

### **III. Other Information:**

#### **1. Reasons of Loss or Inadequate Profits:**

At present the financial performance of the Company is good and possesses adequate profits The Company's Earnings Before Interest, Depreciation, Taxation and other Amortizations ("EBIDTA") are positive.

#### **2. Steps taken or proposed to be taken for improvement:**

Management continues to put in best efforts to optimally utilize Company's capacities by foraying into new markets and also by working on developing value-added products for the existing customers in the current markets.

#### **3. Expected increase in productivity and profits in measurable terms:**

The above measures undertaken are expected to yield positive results in the coming years. While it is difficult to give precise figures, the above initiatives are expected to improve the financial performance of the Company.

### **IV. Disclosures:**

The required disclosures are given in the Report on Corporate Governance annexed to the Directors' Report.

The Company accordingly commends for general body acceptance of the Special

Resolution set out in Item No. 9 of the Notice convening the Company's 25th AGM. None of the Directors or Key Managerial Personnel, Promoters or any of their relatives has any concern or interest, financial or otherwise in the Resolution.

**By order of Board of Directors**

Place: Hyderabad  
Date: 12.08.2019

Sd/-  
**Ravi Vishnu**  
Managing Director  
DIN:01144902

## DETAILS OF DIRECTORS 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]

Name of the Director	Vankineni Siva Ramakrishna Murthy	Sridhar Borapureddi	Ravi Vishnu	Aruva Bhopal Reddy
Date of Birth & Age	28.12.1947 (72 years)	05.01.1971 (48 Years)	15.02.1962 (57 years)	15.06.1962 (57 years)
Date of Appointment	31.10.2011	12.08.2019	25.04.1994	01.01.1998
Qualifications	B.E. (Electrical)	M.Tech (Digital Systems & Computer Electronics Engineering from JNTU, Hyderabad & MBA (Marketing & Finance from Osmania University.	M.E. (Computer Science) from PSG College of Technology.	M.Sc in Applied Science from IIT, kharagpur
Relationship between Directors inter-se	NIL	NIL	Ravi Kasturi, Wife	NIL
Expertise in specific functional area	Over 45 years of experience in different facets of power industry.	24 years of experience in Electronics, Electrical and IT Services.	35 years of experience in multiple business areas	34 Years of experience in multiple business areas
Directorship in other listed companies	Nil	Nil	Nil	NIL
Remuneration Drawn For the FY 2018-19	NA	Nil	Rs. 58,89,589/-	Rs. 44,12,551/-
Share holding as on 31.03.2019	NIL	Nil	850539	418803



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 25th Annual Report together with the Audited Financial Statements for the Financial Year ended 31st March, 2019.

### FINANCIAL RESULTS:

The performance of the Company for the financial year ended 31st March, 2019 is summarized below:

			(in INR)	
	Standalone		Consolidated	
Particulars	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	39,57,11,711	42,69,86,925	39,57,11,711	42,81,94,703
Other income	43,36,990	31,90,177	43,36,990	31,90,177
Profit Before Interest, Depreciation & Tax	5,77,56,747	10,32,96,014	5,72,50,493	9,99,22,921
Interest	64,53,765	64,74,172	64,53,765	64,74,172
Depreciation	1,76,01,817	94,41,523	2,17,43,680	1,33,35,613
Profit before Tax	3,37,01,165	8,73,80,319	2,90,53,048	8,01,13,136
Current Tax	85,00,000	1,79,41,432	85,00,000	1,79,41,432
Deferred Tax	18,04,807	(14,95,588)	18,04,807	(14,95,588)
Total Tax Expenses	1,03,04,807	1,64,45,844	1,03,04,807	1,64,45,844
Minority interest	-	-	(9,71,457)	(20,90,144)
Net Profit/(Loss) for the period after tax	2,33,96,358	7,09,34,475	1,97,19,698	6,57,57,436
Number of shares	75,00,000	75,00,000	75,00,000	75,00,000
Earnings per share	3.12	9.46	2.63	8.77

### OVERVIEW OF FINANCIAL PERFORMANCE

#### a) Standalone basis:

During the year, your Company achieved a total revenue of Rs.4000.49 lakhs as against the previous year total revenue of Rs.4301.77 lakhs, a decrease of 7.01 %.

Profit of the Company for the year ended 31.03.2019 is Rs 233.96 lakhs as against the previous year profit of Rs. 709.34 lakhs, a decline of 67%.

Reason: During the year 2018-19 Indian Industry, in general, had a stressful time due to implementation of new financial and tax measures by the Union Government and also due to sluggish nature of the International Markets. Your Company however could withstand the upheavals with reduced profits.

Also, during the year an amount of Rs. 100.08 lakhs was paid on account of Service Tax relating to earlier years as per the orders of Service Tax Department and also higher depreciation to the extent of Rs. 81.60 lakhs because of investment in new hardware and technology for existing projects

**b) Consolidated basis:**

During the year, your Company achieved a total revenue of Rs. 4,000.48 lakhs as against the previous year total revenue of Rs. 4,313.84 lakhs, a decrease of 7.26 %. Profit of the Company for the year ended 31.03.2019 is Rs 197.20 as against the previous year profit of Rs. 657.57 lakhs, a decline of 70.01%.

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 has initiated various strategic moves to overcome the competition. Also, to de-risk 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 Re. 0.50/- 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 23rd September 2019 (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 45,21,000/- (incl. Rs. 7,71,000/- 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 FY2017-18 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 2018-19 of the Company and the date of the report.

**SHIFTING OF REGISTERED OFFICE**

The company has shifted its Registered office within the local limits of the city from 6-1-85/10, Opp. Telephone Bhavan, Saifabad, Hyderabad, Telangana 500004 to TP House, D. No 1-98/9/J/15, Plot No 15(P), Sy. No. 74& 75, Jaihind Enclave, Madhapur Village, Serilingampally Mandal, Rangareddy Dist. Hyderabad – 500 081 w.e.f 17th June, 2019.

**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 outstanding 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 Rs.10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 equity shares of Rs.10/- (Rupees Ten Only) each.

The paid up share capital of the company as on date of balance sheet is Rs. 7,50,00,000/- (Rupees Seven Crores Fifty Lakhs Only) divided into 75,00,000 equity shares of Rs.10/- (Rupees Ten Only) each.

**DETAILS OF CHANGES IN DIRECTORS AND KMP**

- In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Aruva Bhopal Reddy, Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.



- Further, Mr. Aravind Aitipamula resigned for the post of Company Secretary and Compliance Officer w.e.f 31st October, 2018 and the Board at their meeting held on 14th February, 2019 appointed Smt Ankita Gupta as Company Secretary and Compliance Officer of the Company.
- Mr. Vankineni Siva Ramakrishna Murthy (DIN: 03642007), Independent Director of the Company was appointed on 30.09.2014 and his present tenure will expire on 29.09.2019. The Board at their meeting held on 12.08.2019 reappointed him for a period of three years with effect from 30.09.2019. Accordingly, Board recommends appointment of Mr. Vankineni Siva Ramakrishna Murthy as Independent Director for the consideration of the members of the Company at the ensuing Annual General Meeting.
- Mr. Sridhar Borapureddi (DIN: 02137228) was appointed as Additional Director designated as Independent Director of the Company, who holds the position upto the conclusion of the Annual General Meeting is recommended to be appointed as Independent Director of the Company for a period of five(5) years w.e.f 12th August, 2019 to 11th August, 2024.
- Mr. Venkat Rao Potluri (DIN: 07300169) tendered his resignation for the post of Independent Director w.e.f 12.08.2019.
- Mr Ravi Vishnu (DIN: 01144902), Managing Director of the Company was appointed on 15th January, 2015 and his present tenure will expire on 14th January, 2020. The Board at their meeting held on 12th August, 2019 reappointed him for a period of three years with effect from 15th January, 2020. Accordingly, Board recommends appointment of Mr Ravi Vishnu as Managing director for the consideration of the members of the Company at the ensuing Annual General Meeting.
- Mr Aruva Bhopal Reddy (DIN: 01119839), Executive Director of the Company was appointed on 07th August, 2014 and his present tenure expired on 06th August, 2019. The Board at their meeting held on 12th August, 2019 reappointed him for a period of two years with effect from 12th August, 2019. Accordingly, Board recommends appointment of Mr Aruva Bhopal Reddy as Executive Director for the consideration of the members of the Company at the ensuing Annual General Meeting.

## BOARD MEETINGS

The Board met four (4) 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.

## 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**.

## COMMITTEES OF THE BOARD

### Audit Committee

The Company has constituted Audit Committee pursuant to the provisions of Companies Act, 2013. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013. The members of the Audit Committee as on 31st March 2019 are:

- |                             |            |
|-----------------------------|------------|
| • Shri. Rama Rao Karumanchi | - Chairman |
| • Shri. Venkata Rao Potluri | - Member   |
| • Shri. Ravi Vishnu         | - Member   |

The Board at the meeting held on 12th August, 2019 has reconstituted the Audit Committee as follows:

- |                             |            |
|-----------------------------|------------|
| • Shri. Rama Rao Karumanchi | - Chairman |
| • Shri. Sridhar Borapureddi | - Member   |
| • Shri. Ravi Vishnu         | - Member   |

None of the recommendations made by the Audit Committee were rejected by the Board. During the year under review, the Audit Committee had met 4 times.

The details of the Committees of the Board viz., Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee are reported in the Report on Corporate Governance, which forms part of the Board's Report.

## MEETING OF INDEPENDENT DIRECTORS

The details of the separate meeting of the Independent Directors are reported in the Report on Corporate Governance, which forms part of the Board's Report.

**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 fulfill 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 and also posted on the website of the Company i.e., [www.cosyn.in](http://www.cosyn.in). More details are provided in the corporate governance report which forms part of this Annual Report.

**ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit and other Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgments, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**POLICY ON DIRECTOR'S AND KEY MANAGERIAL PERSONNEL APPOINTMENT & REMUNERATION**

Your company adopted a policy on Director's Appointment & Remuneration. The objective of the policy is to ensure that Executive Directors and other employees are sufficiently

compensated for their performance. The policy seeks to provide criteria for determining qualifications, positive attributes, and independence of a Director and also recommend a policy relating to the remuneration for the directors and key managerial personnel. Policy is available at [www.cosyn.in](http://www.cosyn.in)

### **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**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013, during the year under review and hence the said provisions are not applicable.

### **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 at [www.cosyn.in](http://www.cosyn.in).

### **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 2018-19 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 2018-19 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;

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.

### **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.

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

The Board of Directors based on the recommendation of the Audit Committee have re-appointed 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 Mr. A. S. Ramkumar and/or Mr. Arun Marepally partners of M/s. A.S RamKumar & 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 2018-19. The Report of the Secretarial Auditor is annexed to this report as **Annexure -V.**

**Extract of observation:**

The Company for the additional foreign investments made during the year in its subsidiary company, Overseas Direct Investment (ODI) compliances is yet to be complied.

**Explanation:**

The Company is in the process of making disclosures to the Reserve Bank of India regarding the Overseas Direct Investment made during the year.

**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 :**

Particulars	2018-19 (Rs)	2017-18 (Rs)
Foreign Exchange Earnings	43,62,240/-	47,70,947/-
Foreign Exchange Outgo	8,46,255/-	35,61,815/-

**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.

**MAINTENANCE OF COST RECORDS**

Maintenance of Cost records is not applicable to the Company.

**COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with the Secretarial Standards as applicable for the Company.

**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 co-operation 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 continued support.

**By order of Board of Directors**

Place: Hyderabad  
Date: 12.08.2019

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

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



## Annexure –I

**MANAGEMENT DISCUSSION AND  
ANALYSIS REPORT**

Cosyn Limited, your company has been continuing aggressively to extend its service expertise in the Utility billing markets and in the e-Governance domain. Armed with a quarter century of rich experience in the energy segment, your company has been continuously honing its skills to adopt to the cutting-edge technologies to serve the electricity distribution companies of India and the Gulf region to maximize their revenues and to provide cloud based online services.

**Internet of Things and Cloud Computing Technologies**

Electricity is the heart of today's world. World is going to be digital and electricity is becoming an important aspect. Generation and supply of electricity is the primary task of electricity board, but it is also important to measure the power used by the consumer. Internet of Things (IoT) has been playing major role in our daily life in terms of intelligence and automation of conventional objects. As the technology is advancing, the IoT's automation system is applied in many basic infrastructures such as electricity, gas and water management systems in order to make it more convenient for individuals and organizations. Monitoring and keeping track of electricity consumption for verification is a tedious task today since manual meter reading is in vogue. Automation of the system will allow users to monitor energy meter readings over the internet in the real-time.

Utilities survive on effective billing and collection systems. The rapidly changing industrial environment, the presence of digitally advanced consumers, and the convergence of digital devices and technologies along with traditional business processes are increasingly making it complex for the utility industry. In order to deliver services at par to match the rising expectations for effective services, the customer information systems, the current legacy billing systems are not suitable in the long term. Utilities are switching to various smart billing products and service providers who are capable of handling every aspect of a service lifecycle from connection, meter reading to bill generation, payment processing, collection and fieldwork. Your company with its capability to develop highly scalable utility billing software and with the ability to manage customer information is in a unique position to help the utilities to more effectively serve the consumers and stay ahead of competition.

**Smart Grids and Smart Metering**

Working to rapidly establish its stated goal of pan-India universal electricity access, the Government of India is enabling Smart Grids which can offer affordability and other benefits to consumers. The Smart Meter National Programme (SMNP) is being implemented to deploy smart meters across India. India is considering a plan to install smart meters in every home

and business as part of its ongoing effort to turn around the country's ailing power sector. Widespread use of smart meters could be a gamechanger for ailing Indian distribution utilities. These distributors lose nearly one-fifth of their revenue through various technical and commercial reasons including power theft or inefficient billing and collection, according to the power ministry. With electricity demand expected to rise by 79 percent in the next 10 years, India is on a path of transforming its energy mix with innovation. Along with enhancing energy production, the nation also needs to cut Aggregate Technical and Commercial (AT&C) losses to below 12% by 2022, and below 10% by 2027. Enabling India to achieve this imperative is the smart grid, the first step of which, is the creation of Advanced Metering Infrastructure. A new range of 'smart meters' can bring efficiency to how India manages its electricity, by checking data-entry errors and billing efficiencies, and cutting the costs of manual meter reading through web-based monitoring system.

AMI is comprised of various hardware and software components, all of which play a role in measuring energy consumption and transmitting information about energy, water and gas usage to utility companies and customers. The overarching technological components of AMI include:

- ◆ **Smart Meters** - Advanced meter devices having the capacity to collect information about energy, water, and gas usage at various intervals and transmitting the data through fixed communication networks to utility, as well as receiving information like pricing signals from utility and conveying it to consumer.
- ◆ **Communication Network** - Advanced communication networks which supports two-way communication enables information from smart meters to utility companies and vice-versa. Networks such as Broadband over PowerLine (BPL), Power Line Communications, Fiber Optic Communication, Fixed Radio Frequency or public networks (e.g., landline, cellular, paging) are used for such purposes.
- ◆ **Meter Data Acquisition System** - Software applications on the Control Centre hardware and the DCUs (Data Concentrator Units) used to acquire data from meters via communication network and send it to the MDMS
- ◆ **Meter Data Management System (MDMS)** - Host system which receives, stores and analyzes the metering information.

AMI benefits the entire grid by improving the accuracy of meter reads, energy theft detection and response to power outages, while eliminating the need for on-site meter reading. It brings financial gains to utility, water and gas companies by reducing equipment and maintenance costs, enabling faster restoration of electric service during outages and streamlining the billing process. AMI benefits electric customers by detecting meter failures early, accommodating faster service restoration, and improving the accuracy and flexibility of billing. Further, AMI allows for time-based rate options that can help customers save money and manage their energy consumption. It enables enhanced monitoring of system resources, which mitigates potential threats on the grid by cyber-terrorist networks.

Smart Grid implementation across the country presents a unique opportunity for your company to capitalize its strengths. Having served more than ten Power Distribution Companies (DISCOMs) in India and with in-house expertise in cloud-based technologies coupled with decades of functional knowledge will make your company the most sought-after service provider for implementing Meter Data Acquisition Systems and Meter Data Management Systems for the DISCOMs.

Your company is currently serving over six million electricity consumers in the DISCOMs located in western, eastern and southern parts of the country. In addition, your Company also continues to share its expertise in Utility Billing for Water and Electricity consumers forging partnerships with potential partners primarily in the Gulf Region. The relationship established with local partner in Oman has been fruitful and has led to increase in the services offered to the Clients.

### **e-Governance**

e-Governance is basically associated with carrying out the functions and achieving the results of governance through the utilization of ICT (Information and Communications Technology). It also ensures government to be transparent in its dealings, accountable for its activities and faster in its responses as part of good governance.

Government of India in the past has implemented several mission mode e-Governance projects including Unique Identification Project – AADHAAR. Your company has been a pioneering implementation partner in the program and has issued over 10 million cards in the country. In addition, your company was also involved in large scale e-Governance projects such as issuing Household cards, Voter Identification cards, etc.

The penetration of internet, telecommunication services in India has increased in the last decade and with it the opportunity of providing digital services has increased many folds. The e-Governance projects brought in speed, cost reduction, transparency, accountability, convenience, improved customer service and increased the access to the information. In view of this, the Union and State Governments have been unleashing several e-Governance projects and have been allocating huge budgets to implement them. Several projects are in pipeline and your company with several success stories in implementation of large-scale e-Governance projects is on a good ground to bag the projects and increase the revenues.

On the flip side, e-Governance projects are investment intensive and prone to risks of failures due to complexities involved. However, your Company with experience of handling several earlier projects and with strategic management during planning and implementation phases is in a good position to handle the risks and mitigate them.

Your Company believes that managing risks helps in maximizing returns. Your Company addresses risks in a comprehensive manner conducting periodic reviews of such risks and forming a framework for mitigating the risks.

Your Company has initiated various strategic moves to overcome the competition. In addition, to derisk the dependence on few core verticals, the company has identified and is investing in new measures to keep the operating cost low wherever possible.

Cosyn Limited continues to lay emphasis on quality and is certified for ISO 9001-2015 related to the Software Development, IT BPO Services, Data Management Services and Infrastructure Management. Your Company follows well defined processes to ensure internal control systems work as per the project plan and to deliver the services on time. Cosyn Limited always strives to create profit in every single project it executes without compromising on the quality of service rendered. Operational procedures and mechanisms are constantly reviewed by the Quality managers to optimize the cost and enhance the quality of the deliverables.

Your Company clocked Rs. 39.57 crore revenue as against Rs. 42.69 crore in the previous year. Profit after tax was Rs. 2.34 crore as against Rs. 7.09 crore in the previous year. Profit before tax was lower at Rs. 3.37 crore as compared to Rs. 8.74 crore in the previous year. One of the reasons for decrease in profit was an amount of Rs. 100.08 lakhs was paid during the year on account of Service Tax relating to earlier years as per the orders of Service Tax Department and also higher depreciation to the extent of Rs. 81.60 lakhs because of investment in new hardware and technology for existing projects. Your Company was a net foreign exchange earner in the current year.

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 motivated to achieve higher levels of performance. The Company added 275 employees in the current year, trained them and has deployed in the projects successfully.

S.No	Particulars		2018-19	2017-18	Improvement / (Deterioration)
1	Debtors Turnover -	Debtors/Revenue from Operation ( <b>Days</b> )	188	85	0.55
2	Interest Coverage Ratio	Earnings before Interest and Tax (EBIT)/Interest	7.01	26.59	(2.79)
3	Current Ratio	Current Assets/Current Liabilities	2.33	2.61	(0.12)
4	Debt Equity Ratio	Total Outside Liabilities/Shareholders Equity	0.10	0.06	0.39
5	Operating Profit Margin	Operating Profit or EBIT / Sales	0.10	0.21	(1.14)
6	Net Profit Margin	Net Profit/ Sales	0.06	0.17	(1.81)

Your Company over the years has been consistently making profit and it is reflected in the upward swing of the Net Worth of the Company. However as compared to FY 2017-18, there has been a dip in the key financial ratios in FY 2018-19 primarily because your company has established a new office in the hub of IT center of Hyderabad. Your Company has invested significantly in the infrastructure in the new facility to enable it to handle large projects in the coming years and to increase the visibility to the global clients. The benefits of the investment made will help your Company to aggressively market its services and will also help it to attract talented resources to serve the Company.

## Annexure –II

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

as on the financial year ended on 31.03.2019

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

<b>I.</b>	<b>REGISTRATION AND OTHER DETAILS</b>	
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	3rd Floor, TP House, D.No 1-98/9/J/15, Plot No 15(P), Jaihind Enclave, Madhapur, Hyderabad, Rangareddy, TG 500081 Phone: +91 733 066 6517-20 Fax: +91(40) 4000 9888, Email id: <a href="mailto:comsec@cosyn.in">comsec@cosyn.in</a> Website: <a href="http://www.cosyn.in">www.cosyn.in</a>
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 – 2354 5913, 2354 5914 Fax: +91-40 – 2355 3214 E-mail: <a href="mailto:xlfield@gmail.com">xlfield@gmail.com</a> Website: <a href="http://www.xlsoftech.com">www.xlsoftech.com</a>

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name 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	53.79	2(87)

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

## i) Category-wise Share Holding

(i) Category-wise Share Holding									
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	
A. Promoters									
(1) Indian									
a) Individual/HUF	3842235	0	3842235	51.23	3810313	0	3810313	50.80	-0.83
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)	4310695	0	4310695	57.48	4278773	0	4278773	57.05	-0.74
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)= (A) (1) + (A) (2)	4310695	0	4310695	57.48	4278773	0	4278773	57.05	-0.74
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-					
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture									

Capital Funds									
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-					-
h) Foreign Venture Capital Funds									
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-					-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	138178	6700	144878	1.93	73779	6700	80479	1.07	- 44.45
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-					
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2039497	140741	2180238	29.07	1810391	135441	1946372	25.95	- 10.73
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	642372	70000	712372	9.50	964360	70000	1034360	13.79	45.20
c) Others	-	-	-	-	-	-	-	-	-
Bodies corporate	-	-	-	-	-	-	-	-	-
Clearing member	-	-	-	-	-	-	-	-	-
Non Resident Indians (NRI)	-	-	-	-	-	-	-	-	-
Non-Repatriable	27831	0	27831	0.37	28968	0	28968	0.39	4.09
Repatriable	104986	19000	123986	1.65	119048	12000	131048	1.75	5.70
Trusts	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	2952864	236441	3189305	42.52	2997086	224141	3221227	42.95	-45.86
Total Public (B)	2952864	236441	3189305	42.52	2997086	224141	3221227	42.95	1.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	<b>7263559</b>	<b>236441</b>	<b>7500000</b>	<b>100.00</b>	<b>7275859</b>	<b>224141</b>	<b>7500000</b>	<b>100.00</b>	<b>0.00</b>



## ii) Shareholding of Promoters /Promoters Group

Sl.No	Shareholder's Name	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	8731	0.12	-	0	0	-	-100
6	A Bhopal Reddy	446725	5.96	-	418803	5.58	-	-6.25
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 Enterprises 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 Aishwarya	325000	4.33	-	329731	4.40	-	1.46
14	B Triveni	123325	1.64	-	123325	1.64	-	-
	<b>Total</b>	<b>4310695</b>	<b>57.58</b>	<b>-</b>	<b>4278773</b>	<b>57.05</b>		<b>-0.74</b>

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

Sl. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<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
2	<b>R RadhaKrishna 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
3	<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
4	<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
5	<b>R Seetha</b>				
	At the beginning of the year	8731	0.12	8731	0.12
	Sold during the year	8731	0.12	8731	0.12
	Brought during the year	-	-	-	-
	At the End of the year	0	0.00	0	0.00
6	<b>A Bhopal Reddy</b>				
	At the beginning of the year	446725	5.95	446725	5.95
	Sold during the year	27922	0.37	27922	0.37
	Brought during the year	-	-	-	-
	At the End of the year	418803	5.58	418803	5.58
7	<b>R Radhakrishna 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
8	<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
9	<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
10	<b>RRK Enterprises 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</b>	<b>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</b>	<b>Ravi Aiswarya</b>				
	At the beginning of the year	325000	4.33	325000	4.33
	Sold during the year	-	-	-	-
	Brought during the year	4731	0.06	4731	0.06
	At the End of the year	329731	4.40	329731	4.40
<b>14</b>	<b>B Triveni</b>				
	At the beginning of the year	123325	1.64	123325	1.64
	Sold during the year	-	-	-	-
	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
SAMSUL HUTHA BANU AMEER	0	0.00	278924	3.72
KUMARA SWAMY SANGA	50650	0.68	53275	0.71
RAVI PATEL	50000	0.67	50000	0.67
DIA PROPERTIES LLP	47500	0.63	47500	0.63
VELLANKI VEERABHADRA RAO	41416	0.55	41416	0.55
KONDA SANJAY REDDY	40000	0.53	40000	0.53
SABYASACHI GHOSH	18614	0.25	39042	0.52
RAMESH SIRIMALLA	9329	0.12	35447	0.47
M SARVOTHAMA REDDY	34230	0.46	34230	0.46
PURSHOTTAMDAS MARU	29541	0.39	29541	0.39
<b>Total</b>	<b>321280</b>	<b>4.28</b>	<b>649375</b>	<b>8.66</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
1	<b>RAVI VISHNU</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
2	<b>ARUVA BHOPAL REDDY</b>				
	At the beginning of the year	446725	5.95	446725	5.95
	Sold during the year	27922	0.37	27922	0.37
	Brought during the year	-	-	-	-
	At the End of the year	418803	5.58	418803	5.58
3	<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
4	<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
5	<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
6	<b>SRIDHAR BORAPUREDDI &amp;</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
6	<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
7	<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
8	<b>ANKITA GUPTA<sup>#</sup></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
8	<b>KADARI RAGHUPATHI RAO</b>				
	At the beginning of the year	100	0	100	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

@ Resigned as Independent Director w.e.f 12.08.2019

& Appointed as Independent Director w.e.f 12.08.2019

\* Resigned as Company Secretary w.e.f 31<sup>st</sup> October, 2018.

# Appointed as Company Secretary w.e.f 14<sup>th</sup> February, 2019.

## 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	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>
<b>Change in Indebtedness during the financial year</b>				
*Addition	0	3,26,63,003	0	3,26,63,003
*Reduction	2,73,10,821	1,39,48,725	0	4,12,59,546
Net Change	-2,73,10,821	1,87,14,278	0	-85,96,543
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	3,56,29,262	0	3,56,29,262
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>3,56,29,262</b>	<b>0</b>	<b>3,56,29,262</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 Amount Rs.
1.	Gross salary			
	(a) Salary as per provisions	57,60,000	43,20,000	<b>1,00,80,000</b>
	(b) Value of perquisites	23,553	23,553	<b>47,106</b>
	(c) Profits in lieu of salary	.....	.....	.....
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	1,06,036	68,998	1,75,034
	<b>Total (A)</b>	<b>58,89,589</b>	<b>44,12,551</b>	<b>1,03,02,140</b>
	<b>Ceiling as per the Act</b>	<b>Paid as per Schedule V</b>		

**B. Remuneration to other directors:**

S. No	Particulars of Remuneration	Ravi Kasturi	Sivarama Krishna Murthy Vankineni	Venkata Rao Potluri	Rama Rao Karumanchi	Total Amount Rs.
1	<b>Independent Directors</b>					
	Fee for attending board committee meetings	-	10,000	14,000	12,000	36,000
	Commission					
	Others, please specify: Conveyance fees	-	6,000	8,000	6,000	20,000
	<b>Total (1)</b>	-	16,000	22,000	18,000	56,000
2	<b>Other Non-Executive Directors</b>					
	Fee for attending board committee meetings	14,000	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify: Conveyance fees	8,000	-	-	-	-
	<b>Total (2)</b>	22,000	-	-	-	22,000
	<b>Total (B)=(1+2)</b>	22,000	16,000	22,000	18,000	78,000
	<b>Total Managerial Remuneration(A+B)</b>					<b>1,03,80,140</b>
	<b>Overall Ceiling as per the Act</b>	<b>Paid as per Schedule V</b>				

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

(Amount in Rs.)

S.No	Particulars of Remuneration	Key Managerial Personnel			
		ARAVIND AITIPAMULA – Company Secretary*	ANKITA GUPTA- Company Secretary#	KADARI RAGHUPATHI RAO CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	99,757	24,572	4,39,096	<b>5,63,425</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission as % of profit	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	21,982	21,982
	<b>TOTAL</b>	99,757	24,572	4,61,078	<b>5,85,407</b>

\*Resigned as Company Secretary w.e.f 31<sup>st</sup> October, 2018.

# Appointed as Company Secretary w.e.f 14<sup>th</sup> February, 2019.

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

**By order of Board of Directors**

Place: Hyderabad  
Date: 12.08.2019

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

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

## Annexure –III

**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.

It is further confirmed that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as a director of the Company by the Ministry of Corporate Affairs or the Securities and Exchange Board of India or any other Statutory Authority. The said affirmation is confirmed by the Practicing Company Secretary in the compliance certificate which is appended hereto.

During the Financial Year 2018-19, the Board met on Four (4) occasions i.e., 29.05.2018; 14.08.2018; 14.11.2018; and 14.02.2019. The gap between any two meetings is not more than 120 days.



## i. Composition and category of Directors

Name of the Directors	Category	Designation	No. of shares held in the Company	Qualification/ Expertise/ Skills	Names of the listed entities where the person is a director and the category of directorship
Ravi Vishnu	Promoter – Executive Director	Managing Director	850539	M.E. (Computer Science) from PSG college of Technology having 35 years of multiple business areas	Nil
Aruva Bhopal Reddy	Promoter – Executive Director	Whole time director	418803	M.Sc in Applied Geology from IIT, Kharagpur having 34 years of experience in multiple business areas	Nil
Ravi Kasturi	Promoter-Non-executive Director	Director	285800	B.Com having more than 25 years of experience in Finance & Accounts	Nil
Sivarama Krishnamurthy Vankineni	Independent Non-Executive Director	Director	NIL	B.E. (Electrical) with 45 of years of experience in difference facets of power sector.	Nil
Venkata Rao Potluri*	Independent Non-Executive Director	Director	NIL	B.E. (Electrical) having more than 40 years of experience in power generation, distribution and transmission.	Nil

Rama Rao Karumanchi	Independent Non-Executive Director	Director	NIL	FCA having more than 21 years of experience in Finance and Accounts.	Nil
Sridhar Borapureddi#	Independent Non-Executive Director	Director	NIL	M.Tech from JNTU, Hyderabad & MBA from OU. 24 years of experience in Electronics, Electrical and IT Services domains.	Nil

\*Resigned as Independent Director w.e.f 12.08.2019

# Appointed as Independent Director w.e.f 12.08.2019

**ii. Number of other board of directors or committees in which a Directors is a member or chairperson as on 31.03.2019:**

Sl. No	Name of the Director	*No. of other Companies in which he/she is Director ( Incl. Cosyn )	**No. of Committees Chairpersonship / Membership (including this company)	
			Member	Chairperson
1	Ravi Vishnu	4	1	NIL
2	Aruva Bhopal Reddy	1	1	NIL
3	Ravi Kasturi	3	NIL	NIL
4	Sivarama Krishnamurthy Vankineni	2	NIL	1
5	Venkata Rao Potluri	1	1	NIL
6	Rama Rao Karumanchi	1	1	1

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

\*\*Committee positions only of the Audit Committee and Stakeholders Relationship Committee in Public Limited Companies.

**iii. Disclosure of relationship between Directors inter-se**

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

**iv. Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for all Board members and all employees in management grade of the Company. The Code of Conduct is posted on the website of the Company at [www.cosyn.in](http://www.cosyn.in).

A declaration to this effect signed by the Managing Director in terms of the Listing Regulations is attached and forms part of the Annual Report of the Company.

**INDEPENDENT DIRECTORS**

Mr. Sivarama Krishnamurthy Vankineni, Mr. Venkata Rao Potluri and Mr. Rama Rao Karumanchi are Non Executive Independent Directors of the company as on 31.03.2019.

However, Mr. Venkat Rao Potluri resigned as Independent Director of the Company w.e.f 12.08.2019 and Mr. Sridhar Borapureddi was Inducted as Independent Director of the Company.

**Details of Familiarization Programme 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 there in 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)

**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 11.03.2019 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 time lines of flow of information between the Company Management and the Board.

List of core Skills/ Expertise/ Competencies required in the Company's Board to enable it function effectively and those actually available:

The Board identifies the following core skills/expertise/competence that it perceives it ought to have in the process of governing the Company. It is further of the view that as a whole it possesses these skills/expertise /competencies and is applying them in governing the Company:

- a) strategizing capability;
- b) capacity to identify risks and macro level concerns in the Company;
- c) aptitude in the arenas of finance, control, information technology and governance mechanisms so as to be able to examine and analyse these areas in the context of the Company's requirements and be in a position to determine gaps in the Management's thought process or the approach to these;
- d) ability to judge the degree of adroitness and clear thinking that go into taking business decisions taken by the Management, identify discontinuities and anomalies, critique such decisions where necessary and thereafter direct initiation of the required action as deemed best under the circumstances;
- e) encouraging diversity in the methodologies of the Company looking at operational and related constraints and suggesting ways forward;
- f) ability to engage in a healthy and cogent debate within itself (including in Board Committees) on the various governance processes with the objective of finding solutions to issues affecting the Company.

### 3. COMMITTEES

The various committees established by the Board are detailed as under:

#### i) AUDIT COMMITTEE:

**The brief terms of reference of the Audit Committee includes the following:**

- ◆ Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- ◆ Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the Company and the fixation of audit fee and other payments, reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- ◆ Reviewing, with the management, quarterly, half-yearly, annual financial statements and auditor's report thereon before submission to the Board for approval.
- ◆ Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), and monitoring the use/application of the funds raised through the Issue by the Company;
- ◆ Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- ◆ Reviewing and monitoring the statutory and internal auditors performance, effectiveness of statutory and internal audit procedures and Evaluating of internal financial controls, risk management systems and adequacy of the internal control systems;

- ◆ Scrutinizing of inter-corporate loans and investments and Valuing of undertakings or assets of the Company, wherever it is necessary;
- ◆ Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances
- ◆ Discussing with internal auditors on any significant findings and follow up there on;
- ◆ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- ◆ Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

**Powers of the Audit Committee shall include the following:**

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Audit Committee shall mandatorily review the following information:**

- Management's discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor;
- Statement of deviations;

**Composition of the Committee**

The Committee was constituted 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.

The Committee reconstituted on 12th August, 2019 as follows:

Mr. RamaRao Karumanchi	- Chairman
Mr. Sridhar Borapureddi	- Member
Mr. Ravi Vishnu	- Member

**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 29.05.2018; 14.08.2018; 14.11.2018; and 14.02.2019.

<b>Name of the Director</b>	<b>Meetings held during the tenure of the Directors</b>	<b>Meetings attended</b>
Rama Rao Karumanchi	3	2
Venkata Rao Potluri	3	3
Ravi Vishnu	3	3

**ii) NOMINATION AND REMUNERATION COMMITTEE**

In compliance with the requirements of the Companies Act, 2013 and of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Nomination and Remuneration Committee.

**Terms of reference of the Nomination and Remuneration Committee shall include the following:**

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
  - (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Formulating of criteria for evaluation of the Independent Directors and the Board and Devising a policy on Board diversity;
- Identifying persons, who qualify to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every Director's performance;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.
- Analyzing, monitoring and reviewing various human resource and compensation matters;

- Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
  - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

### **Composition of the Committee**

The Committee was constituted 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.

The Committee reconstituted on 12th August, 2019 as follows:

Mr. Sivarama Krishna Murthy Vankineni	- Chairman
Mr. Rama Rao Karumanchi	- Member
Mr. Ravi Vishnu	- Member

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

During the year under review, the Committee met one time i.e., on 14.02.2019 and all the members of the Committee were present in the meeting.

### **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 2018-19. 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.

**Details of Remuneration paid to Directors during 2018-19**

S. No	Name of the Director	Category	Sitting Fees (including conveyance fees)	Salary perquisites	Commission	Total (Rs)
1	Ravi Vishnu	Executive Director	NIL	58,89,589	-	58,89,589
2	Aruva Bhopal Reddy	Executive Director	NIL	44,12,551	-	44,12,551
3	Ravi Kasturi	Non-Executive Director	22,000	-	-	22,000
4	Sivarama Krishnamurthy Vankineni	Independent Director	20,000	-	-	20,000
5	Venkata Rao Potluri	Independent Director	16,000	-	-	16,000
6	Rama Rao Karumanchi	Independent Director	20,000	-	-	20,000

**iii) STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)**

The Company has constituted the Stakeholders' Relationship Committee. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013, which includes:

- Considering and resolving the grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, annual reports of the Company or any other documents or information to be sent by the Company to its shareholders etc.
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities, Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and rematerialisation of shares, split and issue of duplicate/consolidated share certificates, allotment and listing of shares, buy back of shares, compliance with all the requirements related to shares, debentures and other securities from time to time;
- Oversee the performance of the registrars and transfer agents of the Company and to recommend measures for overall improvement in the quality of investor services and also to monitor the implementation and compliance of the code of conduct for prohibition of insider trading pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended and other related matters as may be assigned by the Board of Directors.



### Composition of the Committee

The Committee was constituted 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.

The Committee met once during the year i.e., on 11.03.2019 and all the members of the committee were present at the meeting

**Details of shareholders' requests/complaints received and resolved during the year ended 31.3.2019 are as under: NIL**

#### 4. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
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
2017-18	Jubilee Hills International Center, Jubilee Hills, Hyderabad 500 033	Saturday, the 29th day of September, 2018	10.0 m

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

Year of AGM	Details
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.
2017-18	NIL

##### c) Details of Postal Ballot Resolutions passed during the year 2018-19:

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

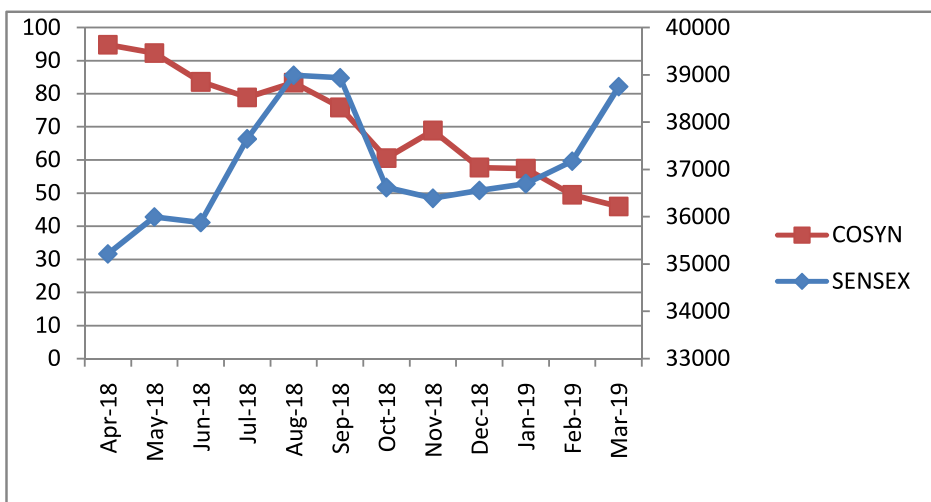
**5. MEANS OF COMMUNICATION**

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

**6. GENERAL SHAREHOLDERS' INFORMATION**

Sl. No	Description	Details
i.	Date, time and Venue of AGM	Date: 30.09.2019
		Time: 10.00 AM
		Venue: Jubilee Hills International Center, Jubilee Hills, Hyderabad – 500 033
ii.	Financial Year	1st April, 2019 to 31st March, 2020
iii	Results for the quarter ending 30th, June 2019 30th September, 2019 31st December, 2019 31st March, 2020	14th August, 2019 On or before 14th November, 2019 On or before 14th February, 2020 On or before 30th May, 2020
iv.	Dividend payment date	Board of Directors has recommended a dividend of Rs.0.50/-(5%) Per Equity share of Rs.10/-each fully paid for the financial year 2018-19. On approval of the shareholders, the dividend will be paid on or before 30 days from date of AGM.
v.	Dates of book closure	24-09-2019 to 30-09-2019 (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 2019-20 has been paid to the Stock Exchange.
vii.	Stock Code	BSE Security Code:538922 Security ID: COSYN ISIN: INE029B01019

viii.	<b>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-2018	94.80	71.50	87.85
	May-2018	92.30	71.00	82.7
	June-2018	83.60	62.00	65.85
	July-2018	78.90	59.80	67.05
	August -2018	83.35	66.25	72.65
	September-2018	75.90	50.65	52.50
	October-2018	60.60	45.65	57.25
	November-2018	68.90	54.20	55.20
	December-2018	57.75	48.65	51.70
	January-2019	57.40	47.10	48.25
	February-2019	49.50	33.50	36.45
	March-2019	46.00	36.50	43.30

ix.	<b>Relative Performance of Cosyn Share Price V/S. BSE Sensex:</b>			
				

x.	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 <a href="http://www.xlsoftech.com">www.xlsoftech.com</a>
xi.	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

**xii. Shareholding Pattern of the Company as on 31st March 2019:**

S. No	Category	No. of Shares	% of Shareholding
1.	Promoters	42,78,773	57.05
2.	Mutual Funds and UTI	-	-
3.	Banks, Financial Institution, Insurance Companies	-	-
4.	Private Corporate Bodies	-	-
5.	Indian Public	30,54,093	40.72
6.	NRIs/OCBs	1,67,134	2.23
	<b>TOTAL</b>	<b>75,00,000</b>	<b>100.00</b>

**xiii. 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	4066	81.43	63,62,550	8.48
5,001-10,000	464	9.29	37,32,660	4.98
10,001-20,000	237	4.75	35,54,410	4.74
20,001-30,000	72	1.44	18,29,930	2.44
30,001-40,000	39	1.78	13,95,260	1.86
40,001-50,000	19	0.38	9,17,680	1.22
50,001-100,000	47	0.94	33,89,800	4.52
100,001 & above	49	0.98	5,38,17,710	71.76
<b>Total</b>	<b>4993</b>	<b>100.00</b>	<b>7,50,00,000</b>	<b>100.00</b>

**xiv. Dematerialization of shares and liquidity as on 31.03.2019:**

Sl.No	Description	No. of Share holders	No. of Shares	% of Equity
1	Physical	480	2,24,141	2.99
2	NSDL	2,358	58,88,958	78.52
3	CDSL	2,155	13,86,901	18.49
	<b>Total</b>	<b>4,993</b>	<b>75,00,000</b>	<b>100.00</b>

xv.	Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:	NIL
xvi.	Commodity Price Risk or Foreign Exchange Risk and hedging activities	NA
xvii.	Plant locations	NA
xviii.	Address for correspondence	Registered Office: COSYN LIMITED 3rd Floor, TP House, D.No 1-98/9/J/15, Plot No 15(P) Jaihind Enclave, Madhapur Hyderabad Rangareddy TG 500081 Tel: +91-733 066 6517 - 20 Fax: +91-40- 4000 9888  The Company has shifted its Registered office to 3rd Floor, TP House, D.No 1- 98/9/J/15, Plot No 15(P) Jaihind Enclave, Madhapur Hyderabad Rangareddy TG 500081 w.e.f 17.06.2019.
xix.	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.
xx.	Credit ratings given by CRISIL for bank loan facilities	NIL

## 7. Other Disclosures

Sl 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	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

	or any Statutory Authority on any matter related to Capital markets during last 3 years	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 behavior. 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	Disclosure under Sexual Harassment of Women at Workplace	<p>The Company has in place the requisite Internal Committees as envisaged in the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.</p> <p>No complaints on the issues covered by the above Act were received during the year.</p>
4	Mandatory and Non-mandatory requirements	<p>The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>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:</p> <p>a) Modified opinion(s) in audit report</p> <p>b) Reporting of internal auditor directly to the audit committee.</p>
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>
7	CEO / CFO Certification	In terms of Part-B of Schedule – II read with Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the Certificate duly signed by the Managing Director and CFO of the Company was placed before the

		Board of Directors along with the financial statements for the year ended 31.03.2019, at its meeting held on 13.05.2019 and forms part of this Annual Report and same is annexed as Annexure III-A and forms an integral part of the Annual Report..
8	Disclosure of Accounting Treatment	The Company in the preparation of financial statements has followed the treatment laid down in the Accounting standards prescribed by the Institute of Chartered Accountants of India. There are no audit qualifications in the Company's financial statements for the year under review.
10	Compliance with Corporate Governance requirements	Your Company has complied with Corporate Governance requirements specified in regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
11	Details with respect to utilization of funds raised through preferential allotment or qualified institutions placement	During the Year, the Company has not raised funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the LODR Regulations.
12	Certificates from a Practicing Company Secretary	<p>a) The Company has obtained a Certificate from a Practicing Company Secretary confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority and is annexed as Annexure III-B and forms an integral part of the Annual Report.</p> <p>b) The Company has obtained a Certificate from a Practicing Company Secretary confirming that it is in compliance with the conditions of Corporate Governance as stipulated in Para C of the Schedule V of the LODR Regulations and same is annexed as Annexure III-C and forms an integral part of the Annual Report.</p>
13	Disclosure with respect to payment made to statutory auditors	Details with respect to payment to statutory auditors made by the Company and its subsidiary for services provided by the Statutory Auditors disclosed separately under Note No. 27.1 to the Company's Financial Statements
14	During the year, the Board accepted all the recommendations of all the committees of the Board.	

The above report has been approved by the Board of Directors at their meeting held on 12.08.2019

## **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.

**By order of Board of Directors**

Place: Hyderabad  
Date: 12.08.2019

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



## Annexure III-A

**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 Fairview 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 year, are fraudulent, illegal or are in violation 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.

**By order of Board of Directors**

Place: Hyderabad  
Date: 12.08.2019

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

Sd/-  
**K Raghupathi Rao**  
Chief Financial Officer

## Annexure III-B

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To  
The Members,  
Cosyn Limited.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of COSYN LIMITED having CIN L72200TG1994PLC017415 and having registered office at 3rd Floor, TP House, D.No 1-98/9/J/15, Plot No 15(P) Jaihind Enclave, Madhapur, Hyderabad, Rangareddy TG 500081 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

Sr. No.	Name of Director	DIN	Date of appointment in Company in current designation
1	Ravi Vishnu	01144902	15.01.2015
2	Aruva Bhopal Reddy	01119839	07.08.2014
3	Ravi Kasturi	01936068	30.09.2015
4	Vankineni Siva Ramakrishna Murthy	03642007	30.09.2014
5	Venkata Rao Potluri	07300169	12.08.2015
6	Rama Rao Karumanchi	07532854	30.05.2016

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

for M/s **A.S. Ramkumar & Associates**  
Company Secretaries  
Sd/-

**A.S. RAMKUMAR**  
Partner

Place: Hyderabad  
Date: 12.08.2019

CP No. 9228, M.No:8149 (FCS)

## Annexure III-C

**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, 2019 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.

for M/s **A.S. Ramkumar & Associates**  
Company Secretaries

Sd/-  
**A.S. RAMKUMAR**  
Partner  
CP No. 9228, M.No:8149 (FCS)

Place: Hyderabad  
Date: 12.08.2019

## 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	
1.	<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:	
2.	<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**

Place: Hyderabad  
Date: 12.08.2019

Sd/-  
**Ravi Vishnu**  
Managing Director

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

## Annexure V

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019**

[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  
3rd Floor, TP House, D.No 1-98/9/J/15, Plot No 15(P)  
Jaihind Enclave, Madhapur, Hyderabad, Rangareddi TG 500081.

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 2019, complied with the statutory provisions listed here under 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 here in after.

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 2019 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);

**i) 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. Except that the company for additional foreign requirements made during the year in its subsidiary company, overseas direct investments (ODI) compliances are yet to be complied.

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.

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

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

Place: Hyderabad  
Date: 12.08.2019

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.

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

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

Place: Hyderabad  
Date: 12.08.2019

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	58,89,589.00	53.11
2	A. BHOPAL REDDY	Director	44,12,551.00	39.54

**Notes:**

- The aforesaid details are calculated on the basis of remuneration for the financial year 2018-19.
  - The remuneration to Directors includes sitting fees paid to them for the financial year 2018-19.
  - Median remuneration of all its employees is Rs 1,08,849/- for the financial year 2018-19.
- 2. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:**

**(Amount in Rs)**

S. No	Name	Designation	2018-19	2017-18	Increase %
1	RAVI VISHNU	Managing Director	58,89,589	54,85,532	7.37
2	A. BHOPAL REDDY	Director	44,12,551	41,16,787	7.18
3	K. RAGHUPATHI RAO	Chief Financial Officer	4,61,078	4,47,260	3.09
4	ARAVIND AITIPAMULA/ ANKITA GUPTA	Company Secretary	1,24,329	1,71,012	-27.30

3. The percentage increase/(decrease) in the median remuneration of employees in the financial year : -0.22%
4. 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.)

	2018-19	2017-18	Increase %
Average salary of all employees (Other than Key Managerial Personnel)	1,29,56,656	1,03,62,536	25.03
Key Managerial Personnel			
Salary of Managing Director	58,89,589	54,85,532	7.37
Salary of Whole Time Director	44,12,551	41,16,787	7.18
Salary of Chief Financial Officer	4,61,078	4,47,260	3.09
Salary of Company Secretary	1,24,329	1,71,012	-27.30

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.
6. **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 2018-19

Name of the Employee	Designation(s)	Remuneration (Rs)	Qualification	Experience (years)	Joining Date	Last Employment
Kiran Babu Vellanki	Div. Head	1,75,000	MS(CS)	20	19-Oct-16	Omi Systems
Ramesh Bandi	Team Lead	85,000	B.Tech	14	10-Oct-11	AQL Technologies
Naga Satyanarayana Putsala	Div. Head	75,000	B.Sc	26	25-Apr-94	--
Sivanarayana J	Sr. Manager	70,000	MBA (IT)	23	23-Jun-96	Softline Technologies
Madan Mohan Anantharam	Manager	66,000	MBA	13	03-Oct-16	Aruba Networks
Srinivasa Rao Atluri	Asst. General Manager	59,000	B.E	21	26-Jul-99	--
Krishna Boddu	Manager	51,500	M.Com	28	11-Aug-16	Bioviz Technologies Pvt Ltd

Lavanya Chava	Sr. Programmer	51,000	Diploma in E & C		16-Oct-17	--
Ramana A V V	Sr. Manager	45,360	B.Sc	26	25-Apr-94	--
Divya Reddy Annreddy	Dy. Manager	43,200	MBA	16	09-Oct-09	Live Connections

For Cosyn Limited

Sd/-

**Ravi Vishnu**  
Managing Director  
DIN: 01144902

Place: Hyderabad  
Date: 12.08.2019

## INDEPENDENT AUDITORS' REPORT

To  
The Members  
Cosyn Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Cosyn Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

### Other Information

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

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

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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

- \* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- \* Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- \* Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) 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 purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the Directors as on 31 March 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;
  - ii. The Company does not have material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Place : Hyderabad  
Date : 13.05.2019

For **Suryanarayana & Suresh.**,  
Chartered Accountants  
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, 2019:

- 1) (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.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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.
- 6) We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by the Central Government of India under Section 148(1) of the



Companies Act 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- 7) 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 is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable except provident fund Rs.10,61,503/- and Goods and Service Tax Rs.65,61,390/-.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- c) In our opinion there are no amounts required to be transferred to Investor Education and Protection Fund by the company.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institution or banks. The Company has not issued any debentures.
- 9) 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.
- 10) 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.
- 11) 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;
- 12) 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.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

- 14) 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.
- 15) 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.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **Suryanarayana & Suresh.,**  
Chartered Accountants  
Reg. No.006631S

Sd/-  
**V Nagendra Rao**  
Partner  
M. No. 227679

Place : Hyderabad  
Date : 13.05.2019

## **“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”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Suryanarayana & Suresh.,**  
Chartered Accountants  
Reg. No.006631S  
Sd/-

**V Nagendra Rao**  
Partner  
M. No. 227679

Place : Hyderabad  
Date : 13-05-2019

Standalone Balance Sheet as at 31<sup>st</sup> March, 2019

(Amount in Rs.)

Particulars		Note No.	As at 31 March, 2019	As at 31 March, 2018
<b>I</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	3	4,56,10,432	2,82,25,954
	(b) Capital Work-In-Progress		-	1,31,46,129
	(c) Other Intangible Assets		3,10,22,386	77,12,686
	(d) Financial Assets			
	(i) Investments	4	2,28,38,916	2,19,85,362
	(ii) Deposits	5	3,29,06,071	2,97,67,332
	(e) Deferred Tax Liabilities (Net)	6	1,59,95,536	1,78,00,343
	(f) Other Non current Assets	7	2,80,931	25,000
	<b>Total</b>		<b>14,86,54,272</b>	<b>11,86,62,806</b>
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	8	76,58,016	8,93,44,632
	(b) Financial Assets			
	(i) Trade Receivables	9	20,41,09,777	9,94,02,405
	(ii) Cash and Cash equivalents	10	1,09,22,196	55,66,194
	(iii) Other Bank Balances	11	4,96,20,278	6,94,53,250
	(c) Other Current Assets			
	(i) Short-Term Loans and Advances	12	76,96,969	43,69,707
	(ii) Other Current Assets	13	17,31,124	5,30,369
	(d) Current Tax Assets (Net)	14	49,62,789	60,35,187
	<b>Total</b>		<b>28,67,01,149</b>	<b>27,47,01,744</b>
<b>TOTAL ASSETS</b>			<b>43,53,55,421</b>	<b>39,33,64,550</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
	<b>Other Equity:</b>			
	(a) Reserves and Surplus	16	22,22,22,205	20,38,65,017
	<b>Total</b>		<b>29,72,22,205</b>	<b>27,88,65,017</b>
<b>2</b>	<b>Liabilities</b>			
	<b>i) Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17	1,49,04,475	91,18,357
	<b>Total</b>		<b>1,49,04,475</b>	<b>91,18,357</b>
	<b>ii) Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Short Term Borrowings	18	-	2,73,10,821
	(ii) Trade Payables	19	2,66,04,945	4,24,63,374
	(b) Other Current Liabilities	20	9,66,23,796	3,56,06,981
	<b>Total</b>		<b>12,32,28,742</b>	<b>10,53,81,177</b>
<b>TOTAL LIABILITIES</b>			<b>43,53,55,421</b>	<b>39,33,64,550</b>
<b>See accompanying notes forming part of the financial statements</b>				

In terms of our report attached.

**For SURYANARAYANA & SURESH.,**

Chartered Accountants

Firm Reg No: 006631S

Sd/-

**V Nagendra Rao**

Partner

Membership.No: 227679

Place : Hyderabad

Date : 13.05.2019

**For and on behalf of the Board**

Sd/-

**Ravi Vishnu**

Chairman &amp; Managing Director

DIN 01144902

Sd/-

**K. Raghupathi Rao**

CFO

Sd/-

**A.Bhopal Reddy**

Whole Time Director

DIN 01119839

Sd/-

**Ankita Gupta**

Company Secretary

**Statement of Profit and Loss Account for the year ended 31<sup>st</sup> March, 2019****(Amount in Rs)**

Particulars		Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	<b>Gross Revenue</b>		46,62,83,239	50,20,17,648
	Less: Excise Duty / Service Tax		-	87,85,530
	Less: GST		7,05,71,528	6,62,45,193
<b>1</b>	<b>Revenue from Operations (Net Sales)</b>	21	39,57,11,711	42,69,86,925
<b>2</b>	<b>Other Income</b>	22	43,36,990	31,90,177
	<b>Total Revenue (1+2)</b>		<b>40,00,48,701</b>	<b>43,01,77,102</b>
<b>3</b>	<b>Expenditure;</b>			
	(a) Cost of Materials Consumed	23	1,06,86,133	1,06,25,454
	(b) Changes in Inventories of work-in-progress	24	8,15,92,166	(6,04,91,570)
	(c) Operating Expenses	25	2,40,50,039	20,13,79,517
	(d) Employee Benefits Expense	26	18,66,87,270	15,07,62,935
	(e) Other Expenses	27	3,92,76,346	2,46,04,751
	(f) Finance Costs	28	64,53,765	64,74,172
	(g) Depreciation and Amortisation Expense	3	1,76,01,817	94,41,523
	<b>Total Expenses</b>		<b>36,63,47,536</b>	<b>34,27,96,782</b>
<b>4</b>	<b>Profit Before Tax</b>		3,37,01,165	8,73,80,319
<b>5</b>	<b>Tax Expense:</b>			
	(a) Current tax expense for current year		85,00,000	1,79,41,432
	(b) Deferred tax (Asset) / Liability		18,04,807	(14,95,588)
<b>6</b>	<b>Net Profit after Tax (4 - 5)</b>		<b>2,33,96,358</b>	<b>7,09,34,475</b>
<b>7</b>	<b>Earnings Per Share (having a face value of Rs.10/-each)</b>	29		
	- Basic and Diluted		3.12	9.46
	<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 &amp; Managing Director

DIN 01144902

Sd/-

**A.Bhopal Reddy**

Whole Time Director

DIN 01119839

Sd/-

**K. Raghupathi Rao**

CFO

Sd/-

**Ankita Gupta**

Company Secretary

Place : Hyderabad

Date : 13.05.2019

**STATEMENT OF CHANGES IN EQUITY**

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

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, 2017	7,50,00,000	19,25,000	0	6,65,89,419	7,34,64,090	21,69,78,509
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	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	21,149	-	21,149
Balance as at 31st March, 2018	7,50,00,000	19,25,000	0	12,84,75,927	7,34,64,090	27,88,65,017
Balance at 1st April, 2018	7,50,00,000	19,25,000	0	12,84,75,927	7,34,64,090	27,88,65,017
Less: Dividend paid for the year 2017-18	-	-	-	75,00,000	-	75,00,000
Less: Dividend distribution Tax	-	-	-	15,41,904	-	15,41,904
Add: Net Profit / Movements during the year	-	-	-	2,33,96,358	-	2,33,96,358
Profit transferred to General reserve	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	40,02,733	-	40,02,733
Balance as at 31st March, 2019	7,50,00,000	19,25,000	0	14,68,33,114	7,34,64,090	29,72,22,205

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 &amp; Managing Director

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**A.Bhopal Reddy**

Whole Time Director

DIN 01119839

Sd/-

**K. Raghupathi Rao**

CFO

Sd/-

**Ankita Gupta**

Company Secretary

Place : Hyderabad

Date : 13.05.2019

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(Amount in Rs)

Sl No	Particulars	For the year ended	
		31.03.2019	31.03.2018
<b>A</b>	<b>Cash Flows from operating activities :</b>		
	Profit Before Tax	3,37,01,165	8,73,80,319
	Add : Depreciation	1,76,01,817	94,41,523
	Add : Finance Costs	49,47,385	31,03,147
	Add : Provision for doubtful debts	35,25,234	(37,55,589)
	Less: Interest Income received	(34,47,261)	(31,90,177)
	<b>Operating Profit before working capital changes</b>	<b>5,63,28,340</b>	<b>9,29,79,223</b>
	Adjustment for (increase)/decrease in operating assets		
	Trade Receivables	(10,82,32,606)	7,51,11,784
	Inventories	8,16,86,616	(6,02,57,527)
	Other Non Current Financial Assets	(31,38,739)	(35,56,129)
	Other Non Current Assets	(2,55,931)	24,000
	Other Current Assets	(45,28,017)	54,75,095
	Trade Payables	(1,58,58,429)	(1,33,31,999)
	Other Current Liabilities Trade payable	7,81,65,679	(2,96,77,407)
	Changes in Prepaid Taxes	5,16,908	(55,28,756)
		<b>2,83,55,480</b>	<b>(3,17,40,939)</b>
	<b>Cash Generated From Operations</b>	<b>8,46,83,820</b>	<b>6,12,38,284</b>
	Less : Income Tax Paid	79,44,510	1,20,60,759
	<b>Net cash from operating activities " A "</b>	<b>7,67,39,310</b>	<b>4,91,77,525</b>
<b>B</b>	<b>Cash Flows from Investing activities :</b>		
	Purchase of Fixed Assets	(5,82,95,995)	(2,41,91,584)
	Interest Income received	34,47,261	-
	Fixed Deposits	3,00,00,000	(3,00,00,000)
	Margin Money Deposits/(Realisation)	(1,01,67,028)	(96,16,876)
	Investment	(8,53,554)	(35,61,815)
	<b>Net cash utilised in investing activities " B "</b>	<b>(3,58,69,316)</b>	<b>(6,73,70,275)</b>
<b>C</b>	<b>Cash Flows from Financing Activities :</b>		
	Proceeds from long term borrowings - ( Net of payments )	57,86,118	49,05,588
	Proceeds from Short term borrowings - ( Net of payments )	(2,73,10,821)	2,73,10,821
	Interest on Long Term Borrowings	(49,47,385)	(31,03,147)
	Cash Paid for Dividends & Dividend Tax	(90,41,904)	(90,26,818)
	<b>Net Cash used in Financing Activities " C "</b>	<b>(3,55,13,992)</b>	<b>2,00,86,444</b>
	<b>Net ( Decrease ) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>53,56,002</b>	<b>18,93,694</b>
	<b>Cash and Cash Equivalents at the beginning</b>	<b>55,66,194</b>	<b>36,72,500</b>
	<b>Cash and Cash Equivalents at the end</b>	<b>1,09,22,196</b>	<b>55,66,194</b>

In terms of our report attached.

**For SURYANARAYANA & SURESH.,**

Chartered Accountants

Firm Reg No: 006631S

Sd/-

**V Nagendra Rao**

Partner

Membership.No: 227679

**For and on behalf of the Board**

Sd/-

**Ravi Vishnu**

Chairman &amp; Managing Director

DIN 01144902

Sd/-

**A.Bhopal Reddy**

Whole Time Director

DIN 01119839

Sd/-

**K. Raghupathi Rao**

CFO

Sd/-

**Ankita Gupta**

Company Secretary

Place : Hyderabad

Date : 13.05.2019



## 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:

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, 2019 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. The Financial statements have been prepared on historical cost basis.

### 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., up to 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 there on 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 AS 36, 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.

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.

**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 Rs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
- Tangible Assets	4,56,10,432	2,82,25,954
- Capital Work in Progress	-	1,31,46,129
- Intangible Assets	3,10,22,386	77,12,686
<b>Total</b>	<b>7,66,32,818</b>	<b>4,90,84,769</b>

### 4. Investments

(Amount in Rs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Investment in Subsidiary Company (at cost)</b>		
Cosyn LLC,	80,87,124	72,33,570
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>2,28,38,916</b>	<b>2,19,85,362</b>

### 5. Deposits

(Amount in Rs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
( Unsecured, considered good, recoverable in cash or in kind for value to be received )		
(a) Deposits		
Deposits - APCPDCL	42,426	42,426
Deposits - Electricity	5,44,851	5,32,255
Retention Money - PSPCL	2,15,04,104	1,52,18,580
Deposits - Others	11,25,539	11,27,039
Deposits - Performance Guarantees	77,40,839	1,17,26,695
Deposits - Rent	19,48,312	11,20,337
<b>Total</b>	<b>3,29,06,071</b>	<b>2,97,67,332</b>

### 6. Deferred Tax Liability

(Amount in Rs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening Balance	1,78,00,343	1,63,04,755
Add: For the year	(12,14,369)	14,95,588
Deferred Tax Liability	(5,90,438)	-
<b>Net Deferred Tax Liability</b>	<b>1,59,95,536</b>	<b>1,78,00,343</b>

### 7. Other Non-Current Assets

(Amount in Rs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Advance for Capital goods	2,80,931	-
(b ) Advance to subsidiary	-	25,000
<b>Total</b>	<b>2,80,931</b>	<b>25,000</b>

## Notes forming part of the financial statements

### 3. FIXED ASSETS

#### (i) TANGIBLE ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	Balance As At 01.04.2018	Balance As At 31.03.2019	Disposals	Balance As At 01.04.2018	Balance As At 31.03.2019	For the Year	Balance As At 31.03.2019	Balance As At 30.03.2019	Balance As At 31.03.2018
Land	13,31,295	13,31,295	-	-	-	-	-	13,31,295	13,31,295
Computer / Hardware	11,53,03,825	14,08,59,437	-	9,92,71,628	11,08,59,164	1,15,87,536	11,08,59,164	3,00,00,272	1,60,32,197
Furniture and fixtures	1,75,50,409	1,76,19,013	-	1,45,54,474	1,50,32,434	4,77,960	1,50,32,434	25,86,579	29,95,935
Electrical Fittings	1,96,34,770	1,96,34,770	-	1,57,55,966	1,64,34,659	6,78,693	1,64,34,659	32,00,111	38,78,804
Vehicles	29,78,350	86,29,312	-	27,70,671	27,88,452	17,781	27,88,452	58,40,860	2,07,679
Office Equipment	1,38,77,418	1,39,82,990	-	1,00,97,374	1,13,31,675	12,34,301	1,13,31,675	26,51,315	37,80,044
Library Books	8,65,901	8,65,901	-	8,65,901	8,65,901	-	8,65,901	-	-
<b>Total</b>	<b>17,15,41,968</b>	<b>20,29,22,717</b>	<b>-</b>	<b>14,33,16,014</b>	<b>15,73,12,285</b>	<b>1,39,96,271</b>	<b>15,73,12,285</b>	<b>4,56,10,432</b>	<b>2,82,25,954</b>
<b>Previous Year Total</b>	<b>16,09,76,660</b>	<b>17,15,41,968</b>	<b>-</b>	<b>13,72,12,260</b>	<b>14,33,16,014</b>	<b>61,03,754</b>	<b>14,33,16,014</b>	<b>2,82,25,954</b>	<b>-</b>

#### (ii) INTANGIBLE ASSETS

Computer Software	8,00,01,071	2,69,15,245	-	7,22,88,385	7,58,93,930	36,05,545	7,58,93,930	3,10,22,386	77,12,686
<b>Total</b>	<b>8,00,01,071</b>	<b>2,69,15,245</b>	<b>-</b>	<b>7,22,88,385</b>	<b>7,58,93,930</b>	<b>36,05,545</b>	<b>7,58,93,930</b>	<b>3,10,22,386</b>	<b>77,12,686</b>
<b>Previous Year Total</b>	<b>7,95,20,924</b>	<b>4,80,147</b>	<b>-</b>	<b>6,89,50,616</b>	<b>7,22,88,385</b>	<b>33,37,769</b>	<b>7,22,88,385</b>	<b>77,12,686</b>	<b>-</b>
<b>Total</b>	<b>25,15,43,039</b>	<b>5,82,95,994</b>	<b>-</b>	<b>21,56,04,399</b>	<b>23,32,06,215</b>	<b>1,76,01,816</b>	<b>23,32,06,215</b>	<b>7,66,32,818</b>	<b>3,59,38,640</b>
<b>Previous Year Total</b>	<b>24,04,97,584</b>	<b>1,10,45,455</b>	<b>-</b>	<b>20,61,62,876</b>	<b>21,56,04,399</b>	<b>94,41,523</b>	<b>21,56,04,399</b>	<b>3,59,38,640</b>	<b>-</b>

## Notes forming part of the financial statements

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

(Amount in Rs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
(As valued and Certified by Management)		
(a) Consumables	1,15,176	2,09,626
(b) Work-in-progress	75,42,840	8,91,35,006
<b>Total</b>	<b>76,58,016</b>	<b>8,93,44,632</b>

### 9. Trade Receivables

(Amount in Rs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade receivables outstanding for a period exceeding six months		
Unsecured, considered good	3,92,88,007	5,87,73,883
Doubtful	-	-
	3,92,88,007	5,87,73,883
Less: Bad debts written off	-	-
	3,92,88,007	5,87,73,883
Other Trade Receivables		
Unsecured, considered good	16,48,21,770	4,06,28,522
<b>Total</b>	<b>20,41,09,777</b>	<b>9,94,02,405</b>

### 10. Cash and Cash equivalents

(Amount in Rs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
(i) Cash on hand	6,935	3,070
(ii) Balances with banks		
Current accounts	1,09,15,261	55,63,124
<b>Total</b>	<b>1,09,22,196</b>	<b>55,66,194</b>

### 11. Other Bank Balances

(Amount in Rs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Margin Money Deposits (Note 11.1)	4,96,20,278	3,94,53,250
Fixed Deposits	-	3,00,00,000
<b>Total</b>	<b>4,96,20,278</b>	<b>6,94,53,250</b>

11.1 Margin Money deposits having maturity period of less than 3 months is Rs 2,87,76,080/- and more than Twelve months is Rs 75,00,000/-

### 12. Short-Term Loans and Advances

(Amount in Rs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
(Unsecured, considered good)		
Loans and Advances	42,72,063	39,83,987
Advance for services and other expenses	34,24,906	3,85,721
<b>Total</b>	<b>76,96,969</b>	<b>43,69,707</b>

**13. Other Current Assets****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Prepaid Expenses	10,86,124	5,30,369
Others	6,45,000	-
<b>Total</b>	<b>17,31,124</b>	<b>5,30,369</b>

**14. Current Tax Assets (Net)****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Prepaid Taxes (Net of provision for Taxes)	49,62,789	60,35,187
<b>Total</b>	<b>49,62,789</b>	<b>60,35,187</b>

**15. Share Capital**

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount Rs	Number of shares	Amount Rs
(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
(b) Issued, Subscribed and Fully Paid-up:				
Equity Shares of Rs 10/- each with voting rights	75,00,000	7,50,00,000	75,00,000	7,50,00,000
<b>TOTAL</b>		<b>7,50,00,000</b>		<b>7,50,00,000</b>

**(i) Reconciliation of Shares****Reconciliation of Number of Equity Shares outstanding at the Beginning and at the End of the Year**

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount Rs	Number of shares	Amount Rs
<b>Equity Shares</b>				
At the Beginning of the Year	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>

**(ii) All Equity Shares issued by the company carry equal voting and participatory rights****(iii) The details of share holders holding more than 5% shares :**

Name of the share holder	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
	No. of Shares		% held	
Sri. Ravi Vishnu	8,50,539	8,50,539	11.34	11.34
Sri. D. Vikram Reddy	7,40,500	7,40,500	9.87	9.87
Sri. R. Radha Krishna Murthy	5,41,100	5,41,100	7.21	7.21
Sri. A. Bhopal Reddy	4,46,725	4,46,725	5.96	5.96

**16. Reserves and Surplus****(Amount in Rs)**

Particulars	As at 31 March, 2019		As at 31 March, 2018	
(a) Share Premium				
Opening balance	7,34,64,090		7,34,64,090	
Add: Additions during the year	-		-	
Closing balance		7,34,64,090		7,34,64,090
(b) Capital Reserve		19,25,000		19,25,000
(c) Surplus / (Deficit) in Statement of Profit and Loss				
Balance at the beginning of the year	12,84,75,927		5,75,62,601	
Less: Dividend paid	75,00,000		-	
Less: Dividend distribution Tax paid	15,41,904		-	
Add: Profit for the year	2,33,96,358		7,09,34,475	
Items of Other comprehensive income directly recognized in retained earnings	40,02,733		(21,149)	
Closing Balance		<b>14,68,33,115</b>		<b>12,84,75,927</b>
<b>TOTAL</b>		<b>22,22,22,205</b>		<b>20,38,65,017</b>



**17. Long Term Borrowings****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
i) Secured		
From Banks	-	-
ii) Un-Secured		
From Non Banking Financial Institutions	1,49,04,475	91,18,357
<b>Total</b>	<b>1,49,04,475</b>	<b>91,18,357</b>

**18. Short Term Borrowings****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Secured: From Banks		
State Bank of India	-	2,73,10,821
<b>Total</b>	<b>-</b>	<b>2,73,10,821</b>

**19. Trade Payables:****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Creditors for Services	2,37,22,579	3,90,80,907
Creditors for Consumables	21,80,143	30,41,236
Creditors for Expenses	7,02,223	3,41,231
<b>Total</b>	<b>2,66,04,945</b>	<b>4,24,63,374</b>

**20. Other Current Liabilities****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Current Maturities of Long-Term Debt - From Banks		
i) Secured		
i) From Banks	-	-
ii) Un-Secured		
ii) From Non Banking Financial Institutions	2,07,24,787	77,96,627
(b) Other payables		
(i) Statutory remittances		
GST Payable	2,90,86,866	1,00,81,781
TDS Payable	8,78,263	17,31,961
ESI Payable	45,45,841	21,61,553
PF Payable	91,22,130	23,19,898
Professional Tax Payable	8,200	23,840
Un Claimed Dividend	5,77,016	3,37,149
(ii) Payables on purchase of fixed assets	7,70,152	8,30,290
(iii) Caution Money	2,11,46,894	56,66,894
(iv) Other Liabilities	97,63,647	46,56,989
<b>Total</b>	<b>9,66,23,796</b>	<b>3,56,06,981</b>

**21 Revenue from Operations****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Revenue from Operations		
- Domestic	46,19,20,999	49,79,97,372
- Exports	43,62,240	40,20,276
<b>Total Gross Revenue</b>	<b>46,62,83,239</b>	<b>50,20,17,648</b>
Less: Service Tax	-	87,85,530
Less: GST	7,05,71,528	6,62,45,193
<b>Total Tax Amount</b>	<b>7,05,71,528</b>	<b>7,50,30,723</b>
<b>Net Revenue</b>	<b>39,57,11,711</b>	<b>42,69,86,925</b>

**22 Other Income****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Interest Income	34,47,261	31,90,177
(b) Foreign Exchange Fluctuation	2,26,917	-
(c) Interest on Income Tax Refund	6,62,812	-
<b>Total</b>	<b>43,36,990</b>	<b>31,90,177</b>

**23 Cost of Materials Consumed****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening stock	2,09,626	4,43,669
Add: Purchases	1,05,91,683	1,03,91,411
<b>Total</b>	<b>1,08,01,309</b>	<b>1,08,35,080</b>
Less: Closing stock	1,15,176	2,09,626
<b>Total</b>	<b>1,06,86,133</b>	<b>1,06,25,454</b>

**24. Change in Inventory of Work-in-progress****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
A. Inventories at the end of the year: Work-in-progress	75,42,840	8,91,35,006
	<b>75,42,840</b>	<b>8,91,35,006</b>
B. Inventories at the beginning of the year: Work-in-progress	8,91,35,006	2,86,43,436
	<b>8,91,35,006</b>	<b>2,86,43,436</b>
<b>Net (Increase) / Decrease (B-A)</b>	<b>8,15,92,166</b>	<b>(6,04,91,570)</b>

**25 Operating Expenses****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Sub Contracting Expenses	2,20,39,318	19,96,58,416
Repairs to Plant & Machinery	15,32,545	13,03,472
Power & Fuel	4,78,176	4,17,629
<b>Total</b>	<b>2,40,50,039</b>	<b>20,13,79,517</b>

**26 Employee Benefits Expense****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Salaries and Wages	16,63,67,414	13,45,71,019
Contributions to Provident Fund & other funds	1,96,38,964	1,53,83,027
Staff Welfare expenses	6,80,892	8,08,889
<b>Total</b>	<b>18,66,87,270</b>	<b>15,07,62,935</b>

**27 Other Expenses****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Rent	49,72,224	32,31,019
Repairs and Maintenance	21,73,533	14,59,056
Insurance	4,00,164	2,12,268
Rates and Taxes	69,140	1,16,218
Communication Expenses	31,35,430	19,92,225
Travelling and Conveyance	27,95,031	25,79,951
Business promotion Expenses	12,46,526	3,78,579
Project Initiation Expenses	26,57,994	-
Professional & Consultancy Expenses	42,44,211	51,62,232
Payment to Auditors (Refer Note: 27.1)	4,00,000	4,00,000
Loss on Foreign Exchange Fluctuation	-	1,10,863
Interest on GST	5,74,034	9,32,139
Interest on Service Tax	1,06,18,846	67,52,247
Interest on delayed payments of EPFO	-	18,44,839
Interest on delayed payments of ESI	2,78,271	-
Service Tax Penalty	-	68,600
Miscellaneous expenses	20,58,188	19,92,901
Bank Charges	1,27,520	11,27,204
Provision for doubtful debts	35,25,234	(37,55,589)
<b>Total</b>	<b>3,92,76,346</b>	<b>2,46,04,751</b>

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

Particulars	As at 31st March, 2019	As at 31 March, 2018
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 Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Interest on Income Tax / TDS	8,46,170	30,60,204
Interest on Borrowings	49,47,385	31,03,147
Interest on Working Capital Loans	6,60,210	3,10,821
<b>Total</b>	<b>64,53,765</b>	<b>64,74,172</b>

**29. Earnings Per Share****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Net profit for basic EPS	2,33,96,358	7,09,34,475
Weighted average Number of equity shares	75,00,000	75,00,000
Par value per share	<b>10.00</b>	<b>10.00</b>
Annualized Basic Earning per share	<b>3.12</b>	<b>9.46</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

	2018-19 Rs	2017-18 Rs
a) <b>Bank Guarantees</b>	4,65,83,700	3,70,75,566
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) <b>Service Tax</b>		
The Company has received Show Cause notice from Directorate General of Goods and Service Tax Intelligence for Rs. 11,96,45,338/- towards 100% Penalty for late payment/filing of Service Tax returns for the period 2013-14 to 2017-18(Q1). The Company has replied for the show cause notice and is pending for adjudication. The Management is confident of winning the same. Hence no provision made in the books of account.		
d) <b>Provident Fund</b>		
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. Common Directors                 | : a) RRK Enterprise Private Limited<br>: b) Granada Engineers Limited |
| II. Subsidiary Company              | : a) Cosyn LLC, USA<br>: b) WellTodesk, USA                           |
| III. Key Managerial Personnel (KMP) | :   |
| Ravi Vishnu                         | : Chairman & Managing Director  |

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

(Amount in Rs.)

Nature of Transactions	Subsidiary / Associate Companies		KMP and Relatives of KMP	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Remuneration & Perquisites	--	--	58,89,589/-	54,85,532/-
Loans & Advance given(Subsidiary)	--	25,000/-	--	--
Investment in Subsidiary	2,28,38,916/-	2,19,85,362/-	--	--
Sales (Subsidiary)	--	--	--	--

### 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 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 01144902

Sd/-

**A.Bhopal Reddy**

Whole Time Director

DIN 01119839

Sd/-

**K. Raghupathi Rao**

CFO

Sd/-

**Ankita Gupta**

Company Secretary

Place : Hyderabad

Date : 13.05.2019

## Independent Auditor's Report

To  
The Members  
COSYN LIMITED

Report on the Consolidated Financial Statements

### Opinion

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, 2019, 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")

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, 2019, and its consolidated Profit(including other comprehensive income),consolidated changes in equity and its consolidated Cash Flow for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>□ Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>□ Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</li> <li>□ Selected a sample of continuing and new contracts and performed the following procedures: <ol style="list-style-type: none"> <li>1. Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>2. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> </ol> </li> </ul>

### 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.

### **Other Matters**

We did not audit the financial statements/financial information of two subsidiaries, whose financial statements/financial information reflect total assets of Rs. 257.64 lakhs as at 31



March 2019, total revenues of Rs. Nil and net cash outflows amounting to Rs. (5.06) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the afore said subsidiaries is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

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

#### **1. As required by section 143 (3) of the Act, we report that:**

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 Holding Company the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 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 2019 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, 2019.

Place: Hyderabad  
Date: 13.05.2019

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, 2019 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 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. 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 in all material respects, has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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: 13.05.2019

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

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

## Consolidated Balance Sheet as at 31st March, 2019

(Amount in Rs.)

Particulars		Note No.	As at 31 March, 2019	As at 31 March, 2018
I	ASSETS			
1	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	3	4,62,91,759	2,90,30,846
	(b) Capital Work-In-Progress		-	1,31,46,129
	(c) Other Intangible Assets		4,18,43,617	2,25,52,215
	(d) Financial Assets			
	(i) Investments	4	8,10,529	7,82,502
	(ii) Deposits	5	3,29,06,071	2,97,67,332
	(e) Deferred Tax Liabilities (Net)	6	1,59,95,536	1,78,00,343
	(f) Other Non current Assets	7	2,80,931	25,000
	<b>Total</b>		<b>13,81,28,443</b>	<b>11,31,04,367</b>
2	<b>Current Assets</b>			
	(a) Inventories	8	76,58,016	8,93,44,632
	(b) Financial Assets			
	(i) Trade Receivables	9	20,41,09,777	9,94,02,405
	(ii) Cash and Cash equivalents	10	1,12,64,496	56,70,101
	(iii) Other Bank Balances	11	4,96,20,278	6,94,53,250
	(c) Other Current Assets			
	(i) Short-Term Loans and Advances	12	76,96,969	43,69,707
	(ii) Other Current Assets	13	17,31,124	5,30,369
	(d) Current Tax Assets (Net)	14	49,62,789	60,35,187
	<b>Total</b>		<b>28,70,43,450</b>	<b>27,48,05,651</b>
<b>TOTAL ASSETS</b>			<b>42,51,71,893</b>	<b>38,79,10,018</b>
II	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity:</b>			
	(a) Equity Share Capital	15	7,50,00,000	7,50,00,000
	<b>Other Equity:</b>			
	(a) Reserves and Surplus	16	20,88,42,847	19,41,62,319
	(b) Minority Interest		31,26,541	40,97,998
	<b>Total</b>		<b>28,69,69,388</b>	<b>27,32,60,317</b>
2	<b>Liabilities</b>			
	<b>i) Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17	1,49,04,475	91,18,357
	<b>Total</b>		<b>1,49,04,475</b>	<b>91,18,357</b>
	<b>ii) Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Short Term Borrowings	18	-	2,73,10,821
	(ii) Trade Payables	19	2,66,74,233	4,26,13,541
	(b) Other Current Liabilities	20	9,66,23,796	3,56,06,981
	<b>Total</b>		<b>12,32,98,030</b>	<b>10,55,31,344</b>
<b>TOTAL LIABILITIES</b>			<b>42,51,71,893</b>	<b>38,79,10,018</b>
<b>See accompanying notes forming part of the financial statements</b>				

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 01144902Sd/-  
**A.Bhopal Reddy**  
Whole Time Director  
DIN 01119839

Place : Hyderabad

Date : 13.05.2019

Sd/-  
**K. Raghupathi Rao**  
CFOSd/-  
**Ankita Gupta**  
Company Secretary

COSYN LIMITED				
Consolidated Profit and Loss Account for the year ended 31st March 2019				
(Amount in Rs.)				
Particulars	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018	
<b>1</b> Gross Revenue		46,62,83,239	50,32,25,426	
Less: Excise Duty / Service Tax		-	87,85,530	
Less: GST		7,05,71,528	6,62,45,193	
<b>1</b> Revenue from Operations (Net Sales)	21	39,57,11,711	42,81,94,703	
<b>2</b> Other Income	22	43,36,990	31,90,177	
<b>Total Revenue (1+2)</b>		<b>40,00,48,701</b>	<b>43,13,84,880</b>	
<b>3</b> Expenditure;				
(a) Cost of Materials Consumed	23	1,07,06,658	1,06,45,263	
(b) Changes in Inventories of work-in-progress	24	8,15,92,166	(6,04,91,570)	
(c) Operating Expenses	25	2,40,50,039	20,13,79,517	
(d) Employee Benefits Expense	26	18,66,87,270	15,07,67,006	
(e) Other Expenses	27	3,97,62,075	2,91,61,743	
(f) Finance Costs	28	64,53,765	64,74,172	
(g) Depreciation and Amortisation Expense	3	2,17,43,680	1,33,35,613	
<b>Total Expenses</b>		<b>37,09,95,653</b>	<b>35,12,71,744</b>	
<b>4</b> Profit Before Tax		2,90,53,048	8,01,13,136	
<b>5</b> Tax Expense:				
(a) Current tax expense for current year		85,00,000	1,79,41,432	
(b) Deferred tax (Asset) / Liability		18,04,807	(14,95,588)	
<b>6</b> Net Profit after Tax (4 - 5)		<b>1,87,48,241</b>	<b>6,36,67,292</b>	
Less : Minority Interest		(9,71,457)	(20,90,144)	
<b>7</b> Net Profit after Tax and Minority Interest		<b>1,97,19,698</b>	<b>6,57,57,436</b>	
<b>8</b> Earnings Per Share (having a face value of Rs.10/-each)	29			
- Basic and Diluted		2.63	8.77	
<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 01144902

Sd/-

**A.Bhopal Reddy**

Whole Time Director

DIN 01119839

Sd/-

**K. Raghupathi Rao**

CFO

Sd/-

**Ankita Gupta**

Company Secretary

Place : Hyderabad

Date : 13.05.2019

## STATEMENT OF CHANGES IN EQUITY

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

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, 2017	7,50,00,000	19,25,000	0	6,20,63,760	7,34,64,090	21,24,52,850
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	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	21,149	-	21,149
Balance as at 31st March, 2018	7,50,00,000	19,25,000	0	11,87,73,229	7,34,64,090	26,91,62,319
Balance at 1st April, 2018	7,50,00,000	19,25,000	0	11,87,73,229	7,34,64,090	26,91,62,319
Less: Dividend paid for the year 2017-18	-	-	-	75,00,000	-	75,00,000
Less: Dividend distribution Tax	-	-	-	15,41,904	-	15,41,904
Add: Net Profit / Movements during the year	-	-	-	1,97,19,698	-	1,97,19,698
Profit transferred to General reserve	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	40,02,733	-	40,02,733
Balance as at 31st March, 2019	7,50,00,000	19,25,000	0	13,34,53,756	7,34,64,090	28,38,42,847

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 01144902

Sd/-

**A.Bhopal Reddy**

Whole Time Director

DIN 01119839

Sd/-

**K. Raghupathi Rao**

CFO

Sd/-

**Ankita Gupta**

Company Secretary

Place : Hyderabad

Date : 13.05.2019

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MAR, 2019

(Amount in Rs)

SI No	Particulars	For the year ended	
		31.03.2019	31.03.2018
<b>A</b>	<b>Cash Flows from operating activities :</b>		
	Profit Before Tax	2,90,53,048	8,01,13,136
	Add : Depreciation	2,17,43,680	1,33,35,613
	Add : Finance Costs	49,47,385	31,03,147
	Add : Provision for doubtful debts	35,25,234	(37,55,589)
	Less: Interest Income received	(34,47,261)	(31,90,177)
	<b>Operating Profit before working capital changes</b>	<b>5,58,22,086</b>	<b>8,96,06,130</b>
	Adjustment for (increase)/decrease in operating assets		
	Trade Receivables	(10,82,32,606)	7,51,11,784
	Inventories	8,16,86,616	(6,02,57,527)
	Other Non Current Financial Assets	(31,38,739)	(35,26,037)
	Other Non Current Assets	(2,55,931)	24,000
	Other Current Assets	(45,28,017)	54,81,897
	Trade Payables	(1,59,39,308)	(1,32,01,784)
	Other Current Liabilities Trade payable	7,81,65,677	(2,96,56,258)
	Changes in Prepaid Taxes	5,16,908	(55,49,906)
		<b>2,82,74,599</b>	<b>(3,15,73,831)</b>
	<b>Cash Generated From Operations</b>	<b>8,40,96,685</b>	<b>5,80,32,299</b>
	Less : Income Tax Paid	79,44,510	1,20,60,759
	<b>Net cash from operating activities " A "</b>	<b>7,61,52,175</b>	<b>4,59,71,540</b>
<b>B</b>	<b>Cash Flows from Investing activities :</b>		
	Purchase of Fixed Assets	(5,82,95,995)	(2,50,33,423)
	Interest Income received	34,47,261	31,90,177
	Fixed Deposits	3,00,00,000	(3,00,00,000)
	Margin Money Deposits/(Realisation)	(1,01,67,028)	(1,28,07,053)
	Investment	(28,027)	3,33,318
	<b>Net cash utilised in investing activities " B "</b>	<b>(3,50,43,789)</b>	<b>(6,43,16,981)</b>
<b>C</b>	<b>Cash Flows from Financing Activities :</b>		
	Proceeds from long term borrowings - ( Net of payments )	57,86,118	49,05,588
	Proceeds from Short term borrowings - ( Net of payments )	(2,73,10,821)	2,73,10,821
	Interest on Long Term Borrowings	(49,47,385)	(31,03,147)
	Cash Paid for Dividends & Dividend Tax	(90,41,904)	(90,26,818)
			-
	<b>Net Cash used in Financing Activities " C "</b>	<b>(3,55,13,992)</b>	<b>2,00,86,444</b>
	<b>Net ( Decrease ) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>55,94,394</b>	<b>17,41,003</b>
	<b>Cash and Cash Equivalents at the beginning</b>	<b>56,70,101</b>	<b>39,29,098</b>
	<b>Cash and Cash Equivalents at the end</b>	<b>1,12,64,495</b>	<b>56,70,101</b>

In terms of our report attached.

For **SURYANARAYANA & SURESH.,**

Chartered Accountants

Firm Reg No: 006631S

Sd/-

**V Nagendra Rao**

Partner

Membership.No: 227679

Place : Hyderabad

Date : 13.05.2019

For and on behalf of the Board

Sd/-

**Ravi Vishnu**

Chairman &amp; Managing Director

DIN 01144902

Sd/-

**K. Raghupathi Rao**

CFO

Sd/-

**A.Bhopal Reddy**

Whole Time Director

DIN 01119839

Sd/-

**Ankita Gupta**

Company Secretary



## Notes forming part of the financial statements

### 1. CORPORATE INFORMATION:

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

### Basis of Preparation of Financial Statements:

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, 2019 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. The Financial statements have been prepared on historical cost basis.

### 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., up to 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 or 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 there on is charged to Statement of Profit & Loss.

Depreciation on tangible assets is provided under Straight Line 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 AS 36, 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.

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.

**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.

**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 Rs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
- Tangible Assets	4,62,91,759	2,90,30,846
- Capital Work in Progress	-	1,31,46,129
- Intangible Assets	4,18,43,617	2,25,52,215
<b>Total</b>	<b>8,81,35,376</b>	<b>6,47,29,190</b>

### 4. Investments

(Amount in Rs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Other Investments</b>		
Other Investments	8,10,529	7,82,502
<b>Total</b>	<b>8,10,529</b>	<b>7,82,502</b>

### 5. Deposits

(Amount in Rs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
( Unsecured, considered good, recoverable in cash or in kind for value to be received )		
(a) Deposits		
Deposits - APCPDCL	42,426	42,426
Deposits - Electricity	5,44,851	5,32,255
Retention Money - PSPCL	2,15,04,104	1,52,18,580
Deposits - Others	11,25,539	11,27,039
Deposits - Performance Guarantees	77,40,839	1,17,26,695
Deposits - Rent	19,48,312	11,20,337
<b>Total</b>	<b>3,29,06,071</b>	<b>2,97,67,332</b>

### 6. Deferred Tax Liability

(Amount in Rs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening Balance	1,78,00,343	1,63,04,755
Add: On account of difference of Depreciation	(12,14,369)	14,95,588
Deferred Tax Liability	(5,90,438)	-
<b>Net Deferred Tax Liability</b>	<b>1,59,95,536</b>	<b>1,78,00,343</b>

### 7. Other Non-Current Assets

(Amount in Rs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Advance for Capital goods	2,80,931	-
(b ) Advance to subsidiary	-	25,000
<b>Total</b>	<b>2,80,931</b>	<b>25,000</b>

### 3. FIXED ASSETS

#### (i) TANGIBLE ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	Balance As At 01.04.2018	Additions	Disposals	Balance As At 31.03.2019	Balance As At 01.04.2018	Disposals	For the Year	Balance As At 31.03.2019	Balance As At 31.03.2019	Balance As At 31.03.2018
Land	13,31,295	-	-	13,31,295	-	-	-	-	13,31,295	13,31,295
Computer / Hardware	11,61,67,359	2,55,55,612	-	14,17,22,971	9,93,89,792	-	1,17,06,130	11,10,95,922	3,06,27,048	1,67,77,567
Furniture and fixtures	1,76,21,120	68,604	-	1,76,89,724	1,45,65,663	-	4,82,931	1,50,48,594	26,41,130	30,55,457
Electrical Fittings	1,96,34,770	-	-	1,96,34,770	1,57,55,966	-	6,78,693	1,64,34,659	32,00,111	38,78,804
Vehicles	29,78,350	56,50,962	-	86,29,312	27,70,671	-	17,781	27,88,452	58,40,860	2,07,679
Office Equipment	1,38,77,418	1,05,572	-	1,39,82,990	1,00,97,374	-	12,34,301	1,13,31,675	26,51,315	37,80,044
Library Books	8,65,901	-	-	8,65,901	8,65,901	-	0	8,65,901	-	-
<b>Total</b>	<b>17,24,76,213</b>	<b>3,13,80,749</b>	<b>-</b>	<b>20,38,56,962</b>	<b>14,34,45,367</b>	<b>-</b>	<b>1,41,19,836</b>	<b>15,75,65,203</b>	<b>4,62,91,759</b>	<b>2,90,30,846</b>
<b>Previous Year Total</b>	<b>16,10,69,066</b>	<b>1,14,07,147</b>	<b>-</b>	<b>17,24,76,213</b>	<b>13,72,25,440</b>	<b>-</b>	<b>62,19,927</b>	<b>14,34,45,367</b>	<b>2,90,30,846</b>	<b>-</b>

#### (ii) INTANGIBLE ASSETS

Computer Software	9,93,91,631	2,69,15,245	-	12,63,06,876	7,68,39,416	-	76,23,843	8,44,63,259	4,18,43,617	2,25,52,215
<b>Total</b>	<b>9,93,91,631</b>	<b>2,69,15,245</b>	<b>-</b>	<b>12,63,06,876</b>	<b>7,68,39,416</b>	<b>-</b>	<b>76,23,843</b>	<b>8,44,63,259</b>	<b>4,18,43,617</b>	<b>2,25,52,215</b>
<b>Previous Year Total</b>	<b>9,89,11,484</b>	<b>4,80,147</b>	<b>-</b>	<b>9,93,91,631</b>	<b>6,97,23,730</b>	<b>-</b>	<b>71,15,686</b>	<b>7,68,39,416</b>	<b>2,25,52,215</b>	<b>-</b>
<b>Total</b>	<b>27,18,67,844</b>	<b>5,82,95,994</b>	<b>-</b>	<b>33,01,63,838</b>	<b>22,02,84,783</b>	<b>-</b>	<b>2,17,43,679</b>	<b>24,20,28,462</b>	<b>8,81,35,376</b>	<b>5,15,83,061</b>
<b>Previous Year Total</b>	<b>25,99,80,550</b>	<b>1,18,87,294</b>	<b>-</b>	<b>27,18,67,844</b>	<b>20,69,49,170</b>	<b>-</b>	<b>1,33,35,613</b>	<b>22,02,84,783</b>	<b>5,15,83,061</b>	<b>-</b>

**8. Inventories (As valued and certified by Management)****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(As valued and Certified by Management)		
(a) Consumables	1,15,176	2,09,626
(b) Work-in-progress	75,42,840	8,91,35,006
<b>Total</b>	<b>76,58,016</b>	<b>8,93,44,632</b>

**9. Trade Receivables****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade receivables outstanding for a period exceeding six months		
Unsecured, considered good	3,92,88,007	5,87,73,883
Doubtful	-	-
	3,92,88,007	5,87,73,883
Less: Bad debts written off	-	-
	3,92,88,007	5,87,73,883
Other Trade Receivables		
Unsecured, considered good	16,48,21,770	4,06,28,522
<b>Total</b>	<b>20,41,09,777</b>	<b>9,94,02,405</b>

**10. Cash and Cash equivalents****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(i) Cash on hand	6,935	3,070
(ii) Balances with banks		
Current accounts	1,12,57,561	56,67,031
<b>Total</b>	<b>1,12,64,496</b>	<b>56,70,101</b>

**11. Other Bank Balances****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Margin Money Deposits (Note 11.1)	4,96,20,278	3,94,53,250
Fixed Deposits	-	3,00,00,000
<b>Total</b>	<b>4,96,20,278</b>	<b>6,94,53,250</b>

11.1 Margin Money deposits having maturity period of less than 3 months is Rs 2,87,76,080/- and more than Twelve months is Rs 75,00,000/-

**12. Short-Term Loans and Advances****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>(Unsecured, considered good)</b>		
Loans and Advances	42,72,063	39,83,987
Advance for services and other expenses	34,24,906	3,85,721
<b>Total</b>	<b>76,96,969</b>	<b>43,69,707</b>

**13. Other Current Assets****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Prepaid Expenses	10,86,124	5,30,369
Others	6,45,000	-
<b>Total</b>	<b>17,31,124</b>	<b>5,30,369</b>



**14. Current Tax Assets (Net)****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Prepaid Taxes (Net of provision for Taxes)	49,62,789	60,35,187
<b>Total</b>	<b>49,62,789</b>	<b>60,35,187</b>

**15. Share Capital**

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount Rs	Number of shares	Amount Rs
(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
(b) Issued, Subscribed and Fully Paid-up: Equity Shares of Rs 10/- each with voting rights	75,00,000	7,50,00,000	75,00,000	7,50,00,000
<b>TOTAL</b>		<b>7,50,00,000</b>		<b>7,50,00,000</b>

**(i) Reconciliation of Shares****Reconciliation of Number of Equity Shares outstanding at the Beginning and at the End of the Year**

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount Rs	Number of shares	Amount Rs
<b>Equity Shares</b>				
At the Beginning of the Year	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>

**(ii) All Equity Shares issued by the company carry equal voting and participatory rights****(iii) The details of share holders holding more than 5% shares :**

Name of the share holder	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
	No. of Shares		% held	
Sri. Ravi Vishnu	8,50,539	8,50,539	11.34	11.34
Sri. D. Vikram Reddy	7,40,500	7,40,500	9.87	9.87
Sri. R. Radha Krishna Murthy	5,41,100	5,41,100	7.21	7.21
Sri. A. Bhopal Reddy	4,46,725	4,46,725	5.96	5.96

**16. Reserves and Surplus****(Amount in Rs)**

Particulars	As at 31 March, 2019		As at 31 March, 2018	
(a) Share Premium				
Opening balance	7,34,64,090		7,34,64,090	
Add: Additions during the year	-		-	
Closing balance		7,34,64,090		7,34,64,090
(b) Capital Reserve		19,25,000		19,25,000
(c) Surplus / (Deficit) in Statement of Profit and Loss				
Balance at the beginning of the year	11,87,73,229		6,20,63,760	
Less: Dividend Paid	75,00,000		75,00,000	
Less: Dividend distribution Tax Paid	15,41,904		15,26,818	
Add: Profit for the year	1,97,19,698		6,57,57,436	
Items of Other comprehensive income directly recognized in retained earnings	40,02,733		(21,149)	
Closing Balance		<b>13,34,53,757</b>		<b>11,87,73,229</b>
<b>TOTAL</b>		<b>20,88,42,847</b>		<b>19,41,62,319</b>

**17. Long Term Borrowings****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>i) Secured</b>		
From Banks	-	-
<b>ii) Un-Secured</b>		
From Non Banking Financial Institutions	1,49,04,475	91,18,357
<b>Total</b>	<b>1,49,04,475</b>	<b>91,18,357</b>

**18. Short Term Borrowings****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Secured: From Banks</b>		
State Bank of India	-	2,73,10,821
<b>Total</b>	<b>-</b>	<b>2,73,10,821</b>

**19. Trade Payables****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Creditors for Services	2,37,91,860	3,92,31,074
Creditors for Consumables	21,80,143	30,41,236
Creditors for Expenses	7,02,230	3,41,231
<b>Total</b>	<b>2,66,74,233</b>	<b>4,26,13,541</b>

**20. Other Current Liabilities****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Current Maturities of Long-Term Debt - From Banks		
<b>i) Secured</b>		
i) From Banks	-	-
<b>ii) Un-Secured</b>		
ii) From Non Banking Financial Institutions	2,07,24,787	77,96,627
(b) Other payables		
(i) Statutory remittances		
GST Payable	2,90,86,866	1,00,81,781
TDS Payable	8,78,263	17,31,961
ESI Payable	45,45,841	21,61,553
PF Payable	91,22,130	23,19,898
Professional Tax Payable	8,200	23,840
Un Claimed Dividend	5,77,016	3,37,149
(ii) Payables on purchase of fixed assets	7,70,152	8,30,290
(iii) Caution Money	2,11,46,894	56,66,894
(iv) Other Liabilities	97,63,647	46,56,989
<b>Total</b>	<b>9,66,23,796</b>	<b>3,56,06,981</b>

**21 Revenue from Operations****(Amount in Rs.)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Revenue from Operations		
- Domestic	46,19,20,999	49,79,97,372
- Exports	43,62,240	52,28,055
<b>Total Gross Revenue</b>	<b>46,62,83,239</b>	<b>50,32,25,426</b>
Less: Service Tax	-	87,85,530
Less: GST	7,05,71,528	6,62,45,193
<b>Total Tax Amount</b>	<b>7,05,71,528</b>	<b>7,50,30,723</b>
<b>Net Revenue</b>	<b>39,57,11,711</b>	<b>42,81,94,703</b>

**22 Other Income****(Amount in Rs.)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Interest Income	34,47,261	31,90,177
(b) Foreign Exchange Fluctuation	2,26,917	-
(c) Interest on Income Tax Refund	6,62,812	-
<b>Total</b>	<b>43,36,990</b>	<b>31,90,177</b>

**23 Cost of Materials Consumed****(Amount in Rs.)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening stock	2,09,626	4,43,669
Add: Purchases	1,06,12,208	1,04,11,220
<b>Total</b>	<b>1,08,21,834</b>	<b>1,08,54,889</b>
Less: Closing stock	1,15,176	2,09,626
<b>Total</b>	<b>1,07,06,658</b>	<b>1,06,45,263</b>

**24. Change in Inventory of Work-in-progress****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
A. Inventories at the end of the year:		
Work-in-progress	75,42,840	8,91,35,006
	<b>75,42,840</b>	<b>8,91,35,006</b>
B. Inventories at the beginning of the year:		
Work-in-progress	8,91,35,006	2,86,43,436
	<b>8,91,35,006</b>	<b>2,86,43,436</b>
<b>Net (Increase) / Decrease (B-A)</b>	<b>8,15,92,166</b>	<b>(6,04,91,570)</b>

**25 Operating Expenses****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Sub Contracting Expenses	2,20,39,318	19,96,58,416
Repairs to Plant & Machinery	15,32,545	13,03,472
Power & Fuel	4,78,176	4,17,629
<b>Total</b>	<b>2,40,50,039</b>	<b>20,13,79,517</b>

**26 Employee Benefits Expense****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Salaries and Wages	16,63,67,414	13,45,71,019
Contributions to Provident Fund & other funds	1,96,38,964	1,53,83,027
Staff Welfare expenses	6,80,892	8,12,960
<b>Total</b>	<b>18,66,87,270</b>	<b>15,07,67,006</b>

**27 Other Expenses****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Rent	52,55,126	35,79,732
Repairs and Maintenance	21,73,533	14,59,056
Insurance	4,00,164	2,23,530
Rates and Taxes	73,151	1,30,992
Communication Expenses	32,00,228	21,17,232
Travelling and Conveyance	27,95,031	26,99,764
Business promotion Expenses	12,46,526	4,16,535
Project Initiation Expenses	26,57,994	-
Professional & Consultancy Expenses	43,38,452	90,23,123
Payment to Auditors (Refer Note: 27.1)	4,00,000	4,00,000
Loss on Foreign Exchange Fluctuation	13,439	1,12,426
Interest on GST	5,74,034	9,32,139
Interest on Service Tax	1,06,18,846	67,52,247
Interest on delayed payments of EPFO	-	18,44,839
Interest on delayed payments of ESI	2,78,271	-
Service Tax Penalty	-	68,600
Miscellaneous expenses	20,58,188	19,94,516
Bank Charges	1,53,860	11,62,600
Provision for doubtful debts	35,25,234	(37,55,589)
<b>Total</b>	<b>3,97,62,075</b>	<b>2,91,61,742</b>

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
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 Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Interest on Income Tax / TDS	8,46,170	30,60,204
Interest on Loans	49,47,385	31,03,147
Interest on Working Capital Loans	6,60,210	3,10,821
<b>Total</b>	<b>64,53,765</b>	<b>64,74,172</b>

**29. Earnings Per Share****(Amount in Rs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Net profit for basic EPS	1,97,19,698	6,57,57,436
Weighted average Number of equity shares	75,00,000	75,00,000
Par value per share	<b>10.00</b>	<b>10.00</b>
Annualized Basic Earning per share	<b>2.63</b>	<b>8.77</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

	2018-19 Rs	2017-18 Rs
a) <b>Bank Guarantees</b>	4,65,83,700	3,70,75,566
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) <b>Service Tax</b>		
The Company has received Show Cause notice from Directorate General of Goods and Service Tax Intelligence for Rs. 11,96,45,338/- towards 100% Penalty for late payment/filing of Service Tax returns for the period 2013-14 to 2017-18(Q1). The Company has replied for the show cause notice and is pending for adjudication. The Management is confident of winning the same. Hence no provision made in the books of account.		
d) <b>Provident Fund</b>		
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. Common Directors                 | : a) RRK Enterprise Private Limited<br>: b) Granada Engineers Limited |
| II. Subsidiary Company              | : a) Cosyn LLC, USA<br>: b) WellTodesk, USA                           |
| III. Key Managerial Personnel (KMP) | :   |
| Ravi Vishnu                         | : Chairman & Managing Director  |

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

(Amount in Rs.)

Nature of Transactions	Subsidiary / Associate Companies		KMP and Relatives of KMP	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Remuneration & Perquisites	--	--	58,89,589/-	54,85,532/-
Loans & Advance given(Subsidiary)	--	25,000/-	--	--
Investment in Subsidiary	2,28,38,916/-	2,19,85,362/-	--	--
Sales (Subsidiary)	--	--	--	--

### 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 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 01144902

Sd/-

**A.Bhopal Reddy**

Whole Time Director

DIN 01119839

Sd/-

**K. Raghupathi Rao**

CFO

Sd/-

**Ankita Gupta**

Company Secretary

Place : Hyderabad

Date : 13.05.2019

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

Regd.off: 3rd Floor, TP House, D.No 1-98/9/J/15, Plot No 15(P)  
Jaihind Enclave, Madhapur, Hyderabad Rangareddy TG 500081.  
+91 733 066 6517-20, 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 30-09-2019 at Jubilee Hills International Centre, Jubilee Hills, Hyderabad - 500033, 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 share holder: \_\_\_\_\_

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**

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 +91 733 066 6517-20, Website: www.cosyn.in, e-mail: comsec@cosyn.in  
 (Please present this at the entrance of the meeting venue)

**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 25th Annual General Meeting of the Company, to be held on the 30th day of September 2019 at 10.00 A.M. at Jubilee Hills International Center, Jubilee Hills, Hyderabad-500033 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, 2019, including the Audited Balance Sheet as at 31st March, 2019, 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, 2019, together with the Report of the Auditors thereon.
- 2) To declare final dividend of Rs.0.50/- (5%) per Equity Share of Rs.10/-each to the shareholders for the financial year 2018-19

- 3) To appoint a Director in place of Mr.Aruva Bhopal Reddy(DIN: 01119839) who retires by rotation and being eligible, offers himself for re- appointment.
- 4) To fix the remuneration of Statutory Auditors M/s.Suryanarayana & Suresh., Chartered Accountants (ICAIReg.No.006631S) for the Financial Year 2019-20

**Special Business:**

- 1) To re-appoint Mr. Vankineni Siva Ramakrishna Murthy (DIN: 03642007) as an Independent Director.
- 2) To appoint Mr. Sridhar Borapureddi (DIN: 02137228) as Director
- 3) To appoint Mr. Sridhar Borapureddi (DIN: 02137228) as an Independent Director
- 4) To Re-appoint Mr. Ravi Vishnu(DIN 01144902) as the Managing Director
- 5) To Re-appoint Mr. Aruva Bhopal Reddy (DIN: 01119839) as Executive Director

Signed this.....day of.....2019

Signature of Shareholder.....

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

<p>Affix Revenue stamp Re.1/-</p>
---

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

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Jaihind Enclave, Madhapur, Hyderabad Rangareddy TG 500081.

+91 733 066 6517-20, 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 25<sup>th</sup> Annual General Meeting of the company to be held on Monday, 30<sup>th</sup> day of September 2019 at 10.00 A.M at Jubilee Hills International Centre, Jubilee Hills, Hyderabad-500033, India for the business stated in the Notice of the Company dated 12-08-2019 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
<b>ORDINARY BUSINESS</b>				
ITEM - 1	Adoption of the standalone and consolidated audited balance sheets, statement of profit and loss accounts for FY 2018-19.			
ITEM - 2	Declaration of Dividend of Re. 0.50 ie, 5% per equity share on face value of Rs. 10/- each for the year ended 31st March, 2019.			
ITEM - 3	Appointment of Mr. Aruva Bhopal Reddy as Director who retires by rotation and offers himself for re-appointment.			
ITEM - 4	Fixation of remuneration to M/s Suryanarayana & Suresh as Statutory Auditors of the Company for FY 2019-20			
<b>SPECIAL BUSINESS</b>				
ITEM - 5	Re-appointment of Mr. Vankineni Siva Ramakrishna Murthy (DIN: 03642007) as an Independent Director			
ITEM - 6	Appointment of Mr. Sridhar Borapureddi (DIN: 02137228) as Director			
ITEM - 7	Appointment of Mr. Sridhar Borapureddi (DIN: 02137228) as Independent Director			
ITEM - 8	Re-appointment of Mr. Ravi Vishnu (DIN: 01144902) as the Managing Director			
ITEM - 9	Re-appointment of Mr. Aruva Bhopal Reddy (DIN: 01119839) as Executive Director			

Place:

Signature of the Shareholder

Date:

Note: Last date for receipt of Postal Ballot forms by the Scrutinizer is 27th September 2019.

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If undelivered, please return to :

**COSYN LIMITED**

CIN : L72200TG1994PLC017415

Regd. Off : 3rd Floor, TP House

D.No 1-98/9/J/15, Plot No 15(P) Jaihind Enclave

Madhapur, Hyderabad Rangareddy TG 500081

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