



REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2015-2016

Company's Philosophy:

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

A. Board of Directors:

The Board of Directors comprises of five (5) Directors comprising of Two (2) Executive Directors two (2) Non-Executive Independent Directors and one (1) Non-executive Director.

1) Composition and category of Directors as on 31st March, 2016

S. No.	Name of the Director	Category
1.	Mr. F.R. Bhote	Promoter & Managing Director
2.	Mr. N. Gowrishankar	Non-Executive & Independent Director
3.	Mr. Vinay Vir	Non-Executive & Independent Director
4.	Mr. K.S Hanumaiah	Whole-time Director
5.	Mrs. Geeta Feroz Bhote	Non-Executive Director

2) Attendance of each director at the Board Meetings held during the year 2015-2016 and at the last Annual General Meeting:

Name of the Director	Board Meeting held during the Year	Meetings attended	Last AGM
Mr. F.R.Bhote	6	6	Present
Mr. N. Gowrishankar	6	6	Present
Mr.Vinay Vir	6	6	Present
Ms. Geeta.Feroz Bhote	6	6	Present
Mr. K.S Hanumaiah	6	6	Present

None of the directors of the Company are members in more than 10 committees or act as Chairman of more than five committees across all Companies in which he/she is a Director.

3) Number of meetings of the Board:

The Board of Directors met 6 (six) times during this financial year on:

29th May, 2015, 25th July, 2015, 25th August, 2015, 30th October, 2015, 10th November, 2015 and 20th January, 2016.



4) Disclosure of relationships between directors inter-se:

Mr. F.R Bhote, Managing Director of the Company and Ms. Geeta Feroz Bhote are related by marriage.

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

Ms. Geeta Feroz Bhote is the only non-executive Director, She holds 2,00,000 Shares of the Company jointly with Mr. F R Bhote.

6) Familiarization program for Independent Directors

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

B. Audit Committee :

The Audit Committee was constituted in terms of Section 177 of the Companies Act, 2013 and the provisions of the Clause 49 of the Listing Agreement.

1. Brief description of terms of reference:

The term of reference of the Audit Committee is in conformity with the provisions of Sub Clause II of Clause 49 of the Listing Agreement, which inter alia, includes the following:

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

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

Name of the Member	Category	Meeting held during the year	Meeting attended
1. Mr. N. Gowrishankar Chairman	Independent Director	5	5
2. Mr. Vinay Vir	Independent Director	5	5
3. Mr. F.R. Bhote	Independent Director	5	5



C. Nomination & Remuneration Committee:

1. Brief description of terms of reference:

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

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

Name of the Member	Meeting held during the year	Meeting attended
Mr. Vinay Vir (Chairman)	2	2
Mr. N. Gowrishankar	2	2
Mrs. Geeta Feroz. Bhote	2	2

3. Performance Evaluation Criteria for Independent Directors

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

4. Remuneration Policy

Our policy on the appointment and remuneration of directors and key managerial personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The nomination and remuneration policy is provided herewith pursuant to Section 178(4) of the Companies Act and Clause 49(IV)(B)(4) of the Revised Listing Agreement/ SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

Details of remuneration to all the directors:

Particulars	Mr. F. R. Bhote	K.S Hanumaiah
Salary	6,36,000	3,53,387
Perquisites	39,353	-
Provident Fund	54,720	-
Total	7,30,073	3,53,387

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



D. Shareholders / Investors Grievance Committee:

1. Terms of reference

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

2. Composition, name of members and Chairman:

The Committee comprises of the following directors

- | | | |
|-----------------------------|---|----------|
| (i) Mr. N. Gowrishankar | - | Chairman |
| (ii) Mrs. Geeta Feroz Bhote | - | Member |
| (iii) Mr. Vinay Vir | - | Member |

3. Name and Designation of Compliance Officer:

Ms. Khushboo Joshi, Company Secretary has been appointed as the Compliance Officer of the Company.

4. No. of Shareholders Complaints received during the year 2015-16:

During the year 2015-16, no complaints were received from the investors.

5. No. of complaints not solved to the satisfaction of shareholders:

The Company has not received any complaints during the year 2015-16, so question of complaints not solved to the satisfaction of shareholders does not arise.

E. General Body Meetings

1. Details of last three Annual General Meetings (AGM):

The information about the last three general body meetings are given below:

Financial Year	AGM	Venue	Time & Date of AGM
2012-2013	30 th AGM	Registered Office	4.00 p.m. on 30 th September, 2013
2013-2014	31 st AGM	Registered Office	4:00 p.m. on 30 th September, 2014
2014-2015	32 nd AGM	Registered Office	4:00 p.m. on 29 th September, 2015

2. Special Resolution passed through postal ballot system during the year and person who conducted the postal ballot exercise:

No special resolution was required to be put through postal ballot system last year.

3. Whether any special resolution proposed to be conducted through postal ballot:

No special resolution was proposed to be conducted through postal ballot system.



F. Disclosures:

- A. The Company had no Related Party transactions. None of the transactions with any of the related parties were in conflict with the interests of the Company.

There has been no non-compliance by the Company of the regulations imposed by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last 3 years.

- B. Means of Communication:

- Financial results of the Company (Quarterly, half-yearly and Annual) have been approved by the Board and intimated to the Stock Exchanges and published in Business Standard and Andhra Prabha.
- The Management Discussion and Analysis Report forms part of the Annual Report.

- C. Whistle Blower Policy

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the company has formulated a Vigil Mechanism/ Whistle Blower Policy that governs the actions of its employees. This Whistle blower Policy/ Vigil Mechanism aspires to encourage all employees to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviors or practices) that affect Company's interest / image.

A copy of the Policy is available on the website of the Company.

G. General Shareholder information:

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

On Saturday, 24th of September, 2016 at 4 PM at the Registered office of the Company at 28, Goyal Society, Moti Valley, Tirmulgherry, Secunderabad-500 015.

- 2. Financial Calendar for 2016-2017 (tentative):**

<u>Quarter ending on</u>	<u>Reporting on</u>
30 th June, 2016	27 th July, 2016(Completed)
30 th September,2016	Last week of October, 2016
31 st December, 2016	Last week of January, 2017
31 st March,2017	Last week of May, 2017

- 3. Date of Book Closure:**

The Register of Members and Share Transfer Books of the Company in respect of Equity Shares will remain close from 20th September, 2016 to 24th September, 2016 (both the days inclusive).



4. Listing on Stock Exchanges:

Name of Stock Exchange where the shares of the Company are listed	Address	Whether annual listing fee paid
BSE Limited	25 th Floor, P.J Towers, Dalal Street, Mumbai- 400 001	Paid
The Ahmedabad Stock Exchange Limited	A-2, Kamdhenu Complex, Opposite Sahajanand College, 120 Feet Ring Rd, Panjara Pol, Ambawadi, Ahmedabad-380015, Gujarat	Paid

5. Scrip Code: BSE Limited: 539724

6. Market price data:

March 2016:

S.No	Month	High(Rs.)	Low(Rs.)
1	March, 2016	13.12	9.35

Note: The Company got Listed on 10th March, 2016, thus the Trading details of the Shares of the Company has been provided from 10th March, 2016.

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

	10th March, 2016	31st March, 2016/ Last traded	% change
Company Share Price (closing)	11.98	9.45	21.12%
Sensex (Closing)	24,623.34	25,341.86	2.92%

8. Registrar and Transfer Agents:

M/s. CIL Securities Ltd.
214, Raghava Ratna Towers, Chirag Ali Lane, Abids,
Hyderabad -500001
Tel. # 040-23202465, 23203155
Fax # (040) 23203028, 66661267
[Email : advisors@cilsecurities.com](mailto:advisors@cilsecurities.com)



9. Share Transfer System:

The Company's Share transfers are taken care by M/s. CIL Securities Limited, Depository Registrars and Share Transfer Agents appointed by the Company. Transfers which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects.

10. Distribution of Shareholding as on 31st March, 2016:

Sl. No.	Category	No. of Shareholders	Percentage of Shareholders	No. of Equity Shares	Percentage of Shareholding
0	500	303	55.19	24795	0.58
501	1000	45	8.20	41455	0.98
1001	2000	26	4.74	43209	1.02
2001	3000	55	10.02	137838	3.24
3001	4000	12	2.19	44685	1.05
4001	5000	30	5.46	147388	3.47
5001	10000	40	7.29	321181	7.55
10001	4251700	38	6.92	3491149	82.11
TOTAL		549	100.00	4251700	100.00

11. Dematerialization of Shares:

The Company's shares are available for holding / transfer in depository system of both Central Depository Services (India) Limited and National Securities Depository Limited. The members have the option of holding the shares in physical or dematerialized form. The processing activities with respect to the requests received for dematerialization are generally completed within 15 days from the date of receipt of request.

The ISIN No. allotted for the equity shares of the Company – INE 039D01014.

As on 31st March, 2016 a total no of 25,88,400 equity shares of the Company stand dematerialized constituting 60.88% of the paid-up share capital of the Company.

12. Outstanding GDRs / ADRs / Warrants / Convertible Debentures during the year 2015-2016:

The Company has not issued any GDRs / ADRs / Warrants / Convertible Debentures during the year 2015-2016.

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



14. Plant Locations:

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

Development facilities / Branch	Location
Hyderabad	28, Goyal Society, Moti Valley, Tirmulgherry, Secunderabad – 500 015.
Mumbai	309-B, Commerce House, Nagindas Master Road, Fort, Mumbai – 400023.

15. Address for correspondence:

- i) For any query in Demat & :
Physical shares
- M/s. CIL Securities Ltd.
214, Raghava Ratna Towers, Chirag Ali Lane, Abids,
Hyderabadd -500001
Tel. # 040-23202465, 23203155
Fax # (040) 23203028, 66661267
Email : advisors@cilsecurities.com
- ii) For any other queries:
- Registered Office of the Company
28, Goyal Society, Moti Valley, Tirmulgherry
Secunderabad – 500 015. Phone # 2774 4413
E-mail: info@hypersoftindia.net
Website: www.hypersoftindia.net



DECLARATION

I, F. R. Bhote, Managing Director do hereby declare that pursuant to the provisions of clause 49 of the Listing agreement ('Listing agreement') of the Company with Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016, all the members of the Board and Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company.

Place: Secunderabad

Date : 27th July 2016

F.R. Bhote

Managing Director



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Hypersoft Technologies Limited
Secunderabad

We have examined the compliance of conditions of Corporate Governance by Hypersoft Technologies Limited for the year ended 31st March 2016, as stipulated in clause 49 of the Listing agreement ('Listing agreement') of the Company with Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

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 the Corporate Governance. It is neither an audit nor an expression of the 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 Agreement/ Listing Regulations as applicable.

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

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

Place: Secunderabad
Date: 27th July 2016

C. Kameshwar Rao
Partner M. No. 024363