ANNUAL REPORT 2016-2017

HUSYS®

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Consulting

Operations

Technology

Enabling People for Business

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COMPANY INFORMATION

Board of Directors

Chairman & Managing Director	: Mr. Gundlapally Ramalinga Reddy
Whole Time Director	: Ms. Gundlapally Praveena Reddy
Executive Director	: Ms. Geeta Goti
Independent Director	: Ms. Nina Elizabeth Woodard
Independent Director	: Mr. Biju Varkkey
Independent Director	: Mr. Atal Malviya

Chief Financial Officer

: Mr. Francis Paul
Email: paul.f@husys.com

Company Secretary & Compliance Officer

: Ms. Megha Chandak
Email: megha.c@husys.com

Registered Office

: Husys House, 1-8-505/E/D/A, Prakash Nagar,
Hyderabad- 500016, Telangana, India
Website: www.husys.com
Email: corp.affairs@husys.com

Regional offices at

: **Bangalore**
No.1, Ground Floor, 3rd Main 2nd 'D' Cross,
2nd Stage Domlur, Bengaluru, near Domlur Club,
Karnataka 560071, India.
Email: reach@husys.com

Delhi
B-6, Ground Floor, Cabin No-3, Kalkaji,
New Delhi - 110 019, Delhi, India.
Email: reach@husys.com

Hyderabad
Husys House, 1-8-505/E/D/A,
Prakash Nagar, Begumpet, Hyderabad- 500016
Telangana, India.
Email: reach@husys.com

Mumbai
Level 13, Platinum Techno Park 17 & 18, Sector 30,
Vashi, Navi Mumbai, Mumbai - 400 705,
Maharashtra, India.
Email: reach@husys.com

Chennai
1A, GRN Navaratna Apartments, M-11,
East Avenue Road, Korattur, Near ICICI Bank,
TNHB Colony, TVS Industries, Korattur, Chennai,
Tamil Nadu 600080, India.
Email: reach@husys.com

Gurgaon
A – 1104, Unitech Arcadia, South City – 2,
Sector – 49, Gurgaon, Haryana – 122018, India.
Email: kamal.s@husys.com

Statutory Auditors : **JBRK & Co.**
Chartered Accountants
118, Maruthi Complex, 5th Floor, Raj Bhavan Road,
Somajiguda, Hyderabad-500 082, Telangana, India.
Email: saikolluri@gmail.com

Secretarial Auditors : **R&A Associates**
Company Secretaries
T202, Technopolis,
1-10-74/B, Chikoti Gardens,
Begumpet, Hyderabad- 500016, Telangana, India.
E-mail: rashida@rna-cs.com

Shares listed with : **National Stock Exchange of India Limited,**
Mumbai

Registrar & Share Transfer Agents : **Karvy Computershare Private Ltd.**
Karvy Selenium Tower B, Plot No.31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad - 500 032, Telangana, India.

Bankers : **Bank of India**
3-4-215, R K Complex,
Kachiguda Station Road, Hyderabad - 500027

HDFC Bank
1-10-603, Suryodaya,
Begumpet, Hyderabad – 500016

Axis Bank
1-11-255, Begumpet Road No.1,
Beside Begumpet Airport, SP Road,
Hyderabad- 500016

BOARD COMMITTEES

Audit Committee

Mr. Biju Varkkey	: Chairman
Mr. Atal Malviya	: Member
Ms. Nina Elizabeth Woodard	: Member

Nomination and Remuneration Committee

Mr. Atal Malviya	: Chairman
Mr. Biju Varkkey	: Member
Ms. Nina Elizabeth Woodard	: Member
Mr. Gundlapally Ramalinga Reddy	: Member

Stakeholders Relationship Committee

Mr. Biju Varkkey	: Chairman
Ms. Geeta Goti	: Member
Ms. Nina Elizabeth Woodard	: Member
Mr. Gundlapally Ramalinga Reddy	: Member

Finance & Authorization Committee

Mr. Gundlapally Ramalinga Reddy	: Chairman
Ms. Gundlapally Praveena Reddy	: Member
Mr. Francis Paul	: Member
Ms. Megha Chandak	: Secretary

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 12TH ANNUAL GENERAL MEETING OF THE MEMBERS OF HUSYS CONSULTING LIMITED (CIN: L74140TG2005PLC047222) WILL BE HELD ON TUESDAY, 11TH JULY, 2017 AT 11:30 A.M. AT HUSYS HOUSE, 1-8-505/E/D/A, PRAKASH NAGAR, BEGUMPET, HYDERABAD- 500016.

TO TRANSACT THE FOLLOWING BUSINESS: - ORDINARY BUSINESS:

1. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** the Audited Financial Statements of the Company for the year 2016-17 together with the Reports of the Board of Directors' and Auditors' thereon of the Company for the year 2016-17 as presented to the meeting, be and hereby, approved and adopted."

2. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT Ms. Gundlapally Praveena Reddy (holding DIN No. 00559136), Director, who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby reappointed as a Director of the Company."

3. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT Ms. Geeta Goti (holding DIN No.06866598), Director, who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby reappointed as a Director of the Company."

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013, the Company here by ratifies the appointment of M/s. JBRK & Co., Chartered Accountants, Hyderabad (Firm Registration No: 005775S), as the Statutory Auditor of the Company to audit the accounts from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company.

5. **To approve payment of Dividend at the rate of Rs. 0.50 ps per Equity share for the year ended March 31, 2017**

   "RESOLVED THAT the Board of the Company, be and is hereby recommend that a Dividend at the rate of 5% per share on the Paid-up Equity Share Capital of the Company, be paid for the financial year ended 31st March, 2017."

   "RESOLVED FURTHER THAT the consent of the shareholders of the Company be obtained at the ensuring Annual General Meeting to the payment of the aforesaid Dividend to the Equity Shareholders of the Company."

   "RESOLVED FURTHER THAT from 5th July, 2017 to 11th July, 2017, be fixed as the date of Book closure for payment of final Dividend and the said Dividend be paid to those shareholders whose name appears on the Register of Members on the date of Book Closure fixed as aforesaid."

   "RESOLVED FURTHER THAT an account be opened with Axis Bank, Begumpet, Hyderabad in the name of Husys Consulting Limited – Dividend Account, as Dividend account."

"RESOLVED FURTHER THAT the said bank be advised to honour all dividend warrants/cheques for equity shares bearing the signature of Mr. Gundlapally Ramalinga Reddy, Managing Director by debiting the said Dividend account."

"RESOLVED FURTHER THAT Mr. Gundlapally Ramalinga Reddy, Managing Director of the Company be and is hereby authorized to take necessary steps and action as they may think expedient."

SPECIAL BUSINESS:

6. To approve powers of the Board U/s 180(1)(a) of the Companies Act, 2013.

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactments thereof and the consent of the Company be and is hereby accorded to the Board of Directors of the Company to create such mortgages, charges and hypothecation in addition to the existing mortgages, charges and hypothecation created by the Company, on all or any of the immovable and movable properties of the Company whose so ever situated, both present and future, and the whole or any part of the undertaking of the Company together with powers to take over the management of the business and concern of the Company in certain events, in such manner as the Bank may deem fit , to or in favour of all or any of the financial institutions/ banks/ lenders/ any other investing agencies or any other person(s)/ bodies corporate by private placement or otherwise, to secure rupee/ foreign currency loans and/ or the issues of debentures, bonds or other financial instruments (hereinafter collectively referred to as 'Loans'), provided that the total amount of Loans together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidate damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the agreements entered into/to be entered into by the Company in respect of the said Loans, shall not, at time exceed the limit of Rs. 10.00 Crores (Rupees Ten Crores Only).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to undertake all such acts, deeds, matters and things to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

7. To approve Borrowing powers of the Company U/s 180(1)(c) of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby accords its consent to the Board of Directors for borrowing any sum or sums of money from time to time from any one or more of the Company's Bankers and / or from any one or more other persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bills discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or otherwise or all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose such that the total borrowing shall not exceed Rs. 10.00 Crores (Rupees Ten Crores Only) excluding of any interest or charges but including the borrowing already availed and the Directors are hereby further authorized to execute such deeds and instruments or writings as they think fit and containing such conditions and covenants as the Directors may think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized to finalize, settle an execute such documents / deeds / writings / papers and Agreements as may be required and to take all necessary steps and actions in this regard in order to comply with all the legal and procedural formalities and further to authorize any of its Committee(s)/Director(s) or any Officer(s) of the Company to do all such acts, deeds or things as it may in its absolute discretion deem necessary proper and fit."

For Husys Consulting Limited

Sd/-
(Gundlapally Ramalinga Reddy)
Managing Director

Place: Hyderabad
Date: 19.06.2017

NOTES

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself / herself and a proxy need not be a member of the Company. The instrument of Proxy in order to be effective should be deposited at its Registered Office of the Company not later than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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 shareholders.

Electronic copy of the Annual Report and the notice of the Annual General Meeting of the Company along with attendance slip and proxy form are being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.

Members are requested to notify any change in their addresses to the Company immediately. Members holding shares in electronic form are requested to advise change of addresses to their Depository Participants.

Members are requested to affix their signatures at the space provided on the attendance slip annexed to proxy form and handover the slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / power of attorney authorizing their representatives to attend and vote at the Annual General Meeting.

Members may also note that the notice of the Annual General Meeting and the Annual Report will also be available on the Company's website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Husys House, 1-8-505/E/D/A, Prakash Nagar, Begumpet, Hyderabad- 500016, for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.

The Register of Members and the Share Transfer Books of the Company will remain closed From 05th to 11th July, 2017, being the date of Book closure and Record date for determining the entitlement of the members whose names appear in the Register of Members to the final dividend for the year ending on March 31, 2017.

The payment of final dividend, if any, upon declaration by the Members at the forthcoming Annual General Meeting, will be made within a period of 30 days of declaration as under:

a. To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be available to the Company by National Securities Depository Limited ("NSDL") as at the end of the day fixed for the purpose.

Members whose shareholding is in electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective Depository Participant(s). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.

Members are requested to intimate, indicating their folio number, the changes, if any, of their registered addresses to the Company at its registered office or to the Company's Registrar and Share Transfer Agents ("RTA") viz. Karvy Computershare Private Limited.

The particulars recorded with the DPs will be considered for making the payment of Dividend

EXPLANATORY STATEMENT AS REQUIRED U/S 102 OF THE COMPANIES ACT, 2013

Item 6: To approve powers of the Board U/s 180(1)(a) of the Companies Act, 2013.

Members of the Company are further to note that section 180(1)(a) of the Companies Act, 2013 mandates that the Board of Directors of the Company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the Company, only with the approval of the members of the Company by way of special resolution.

Explanation (i) to section 180(1)(a) of the Companies Act, 2013 states that the meaning of an "undertaking" shall mean an undertaking in which the investment of the Company exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty per cent of the total income of the Company during the previous financial year.

Explanation (ii) to section 180(1)(a) of the Companies Act, 2013 states that the meaning of "substantially the whole of the undertaking" in any financial year shall mean twenty per cent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.

Item 7: To approve Borrowing powers of the Company U/s 180(1)(c) of the Companies Act, 2013

The Company requires to borrow funds from time to time to meet both its short term and long terms business objectives, from various external agencies like banks, financial institutions, bodies corporate, individuals or other kind of lenders. According to section 180 (1) (c) of the Companies Act, 2013, the total amount of such borrowings as well as the outstanding at any time cannot exceed the aggregate of paid up capital and free reserves of the Company, except with the consent of the members. The Company felt that the said limit is not adequate and needs enhancement, accordingly the resolution has been proposed to increase the limits of borrowing to Rs. 10.00 Crores.

It is recommended that the resolution be passed as special resolution. None of the Directors is interested or concerned in the resolution.

CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me great pleasure to welcome you to the 12th Annual General Meeting of your Company and share with you the progress that your Company has made amidst a great change in the National and Global economy over last one year.

While the economic climate has impacted for a short-term but it is looking positive in bringing in best for our future endeavors. During the year we have ensured that we have a steady growth and strong foot on the ground to sustain our growth into next year.

Several initiatives were undertaken to streamline the operations and make it cost effective. We have achieved some success in this direction, as the profits prior to tax and prior to the prior period adjustment grew by an annualized 161% from Rs. 55.55 lacs to Rs. 144.79 lacs and achieved some success in this direction as result the Turnover grew by an annualized 17% from Rs. 1,241.35 lacs to Rs. 1,454.80 lacs.

The Impact of Demonetization: A Great Opportunity Ahead

While Demonetization for a short-term created discomfort in the monetary flow for businesses, it has opened one very important door for your Company. Our Cloud technology focus has strengthened further with many people using Digital payments and use of smart phones, proved to be a boon for our Cloud Mobile HR Platform to provide services to clients. We only see a directly proportional impact of utilization of digitization in India to our growth of our Technology used by many employees in the future. Its shown in the impact by the number of companies approached and signed up for our services on technology over last few months.

Global Partnerships : Strengthening India Story

Our efforts in building a global business relationships are yielding good results. We have currently good number of partnerships with various international companies to bring global business. I am happy to share that the relationships were grown to help enhance our business and also distribute the revenue from various sources by mitigating concentration of business risk.

Franchising - A business focused partnership :

As you are aware that we have a great potential for Small & Medium Businesses adapting to the HR Function in India. With more than 5.5 Crores Startups & MSME organizations, it's a large market to be tapped for the growth of our business into future. We made significant progress in last year in building a model to capture the large market in India. Our efforts are now converting into reality with beginning last quarter of last year we have hired our first Franchisee partner in Gurgaon, who have started producing revenues for us. By the time this report reaches you, we have signed a formal agreement with 3 more franchisees to start from June 2017. We are expecting to add at least 10 franchisees in this financial year building a strong business focus & Pipeline of our business. This will keep our costs lower in building business and gain the profitability for creating share-holders value.

Quality as a Way of Life :

To keep up with the focus of growth, it is imperative to build sustainable business processes. This would mitigate the risk of Individual personal in the business and gives more room for process orientation. Your Company has initiated various steps to ensure that our processes are matured well within the organization and eventually lead to appropriate certification in future.

Way Ahead :

We are entering into the next business cycle with more confidence utilizing the Indian Digitization and various partnerships that we have created in last 2 quarters. It is evident from our current business flow and is an indication of the efforts being paid-off for a stronger year ahead. Our new signups with our international partners created a great de-risk for business concentration and also spreading the opportunity. We would be building stringent processes through a strong commitment to Quality and maturity in our teams to seamlessly deliver results for your Company.

Concluding Note

I am confident that Husys, with its excellent clients, committed associates and strong and stable management team will continue to deliver significant value to all its stakeholders in the years to come and will achieve every milestone in the journey to success.

I would like to thank all our Shareholders, Investors, Employees, Clients, Principals and all Other Stakeholders, who have always stood by us. With our focused business strategy, dynamic management & Partner team and a pool of professional talent, we are poised for growth.

I look forward to your continued support in the coming years to take this Company to the next level of growth and a Leader in HR Business in India.

Yours Sincerely,

Gundlapally Ramalinga Reddy
Chairman & Managing Director

DIRECTORS REPORT

To,
The Shareholders,
Husys Consulting Limited.

Your Directors delightfully present the **12th Annual Report** on the business and operation of the Company together with the Audited Financial Accounts for the year ended **31st March, 2017.**

1. Financial Highlights

Financial results of your Company for the year ended 31st March 2017 are summarized below.

(Amount in Lacs)

Particulars	2016-17	2015-16
Income from Operations	1,454.80	1,241.35
Other Income	3.45	3.53
Total	1,458.26	1,244.88
Operating expenditure	1,275.45	1,145.96
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	182.81	98.92
Finance costs	14.76	14.22
Depreciation and amortization expense	23.26	29.15
Profit before exceptional item and Tax	144.79	55.55
Exceptional Item	-	-
Profit before Tax (PBT)	144.79	55.55
Tax expense	44.74	17.16
Profit for the year (PAT)	100.05	38.38

2. Future Outlook

The Turning Point: A promising outlook for the Indian HR indutry with Technology Innovation & Adaptation. It is time of transformation of HR industry in India as disruptive changes from the supply and the demand side are changing the nature of services. The HR industry in India can potentially leapfrog into a groundbreaking innovation market as the country has access to advanced technology skills.

Demonitisation : A boon for the HR Industry in transforming employee services on technology. The demonitisation has given a great impetus for use of technology at grassroot levels. This is an opportunity for HR Technology to penetrate in the next one decade where all services of HR can be provided on Mobile Devise. Your Company effort in building the mobile based platform is a testimony of our readiness for such opportunity in future.

Over the last few years, the HR industry has witnessed some radical evolutionary leaps led primarily by technology and the growth of domestic homegrown multinationals. While there are some variable opinions on the exact size of the industry (owing specifically to the variance in opinion on temp staffing and education), the industry is estimated to be over Rs. 30,000 Crores. Out of this, the segment of recruitment accounts for a majority of the industry (over 70%). Some of the other services that command a big market share include L&D, outsourcing, technology, and consulting and advisory services The future of the industry will be largely driven by a combination of social, cloud, and mobile technologies, commonly referred as SOCOMO. Starting 2017 there is a very positive outlook on the Technology adaptation by Companies for HR Management with Cloud offering a very cost effective solutions to be ahead of their competition.

HR services across the world matured at three levels. The first level involves the execution of the administrative layer of HR activities, such as payroll and benefits. At the next level of maturity, service companies manage talent management processes, involving the use of data to deploy talent, identify training and development opportunities and track performance. The highest level of maturity is about development and evolution of the human capital, that overlays administrative and talent management processes, for operating the Company.

It is interesting to note that there are instances where Indian organizations have successfully utilized technology to develop highly advanced service functions as compared to other developed markets. Owing to the maturity of the technology market in India, it is possible that the HR service sector in India will skip the traditional maturity

There are several opportunities for the sector and the outlook for the coming months will continue to remain positive. In line with the global outlook for the industry, consolidation is expected across most of the segments. However, consolidation is expected to be more prominent in some of the segments, including technology, outsourcing, and recruitment

The demand side challenges and increasing pressure on HR organizations in India will compel the creation of new services. The imminent skills shortage, changing nature of the workforce composition and the growing influence of social media will likely drive the introduction of new services such as employer brand consulting, and online and computer-based skilling services. As the demand landscape intensifies, service providers will likely introduce new and innovative products in the areas of talent and performance management, engagement, and retention

As with any industry, the human resources (HR) industry has seen a variety of trends come and go over time. However, certain trends tend to stick or reemerge. Four trends that we believe will continue to shape HR include placing an emphasis on emphasizing Company culture, cultivating workplace efficiency, Managing talent and understanding and dealing with generational differences. By developing an HR strategy that takes these four areas into consideration, companies can more effectively manage their employees now and into the future.

Technology be way of Life for HR professionals in future, hence giving an opportunity for increased business in this segment in future.

HR BUYERS - Walking the path to maturity

OPPORTUNITIES

* Broad spectrum of available services
* Richer high value-added services expected in the future
* Large opportunity in L&D technology to scale-up skilling programs for Governments & Public programs

RECRUITMENT - Working towards incremental growth & sustainability

OPPORTUNITIES

* Sizeable growth opportunities in staffing
* Specialized talent search in STEM, Pharma, and IT
* Recruitment process outsourcing (RPO)
* Managed solutions

LEARNING & DEVELOPMENT - From grassroots to global leadership

OPPORTUNITIES

* Government and academic partnerships
* Asia-pacific market
* New technology space, particularly in social media and consumer technologies

OUTSOURCING AND NICHE SERVICES - Global playing field, local advantage

OPPORTUNITIES

* Players in India will continue to leverage the labor arbitrage advantage
* Emergence of large homegrown players
* Large opportunities in the SME sector

HR CONSULTING - Exploring new frontiers of value delivery

OPPORTUNITIES

* PSUs and homegrown companies
* SMEs and Indian multinationals
* Consolidation in the market
* Analytics and people-based services

HR TECHNOLOGY - Building the base for future growth

OPPORTUNITIES

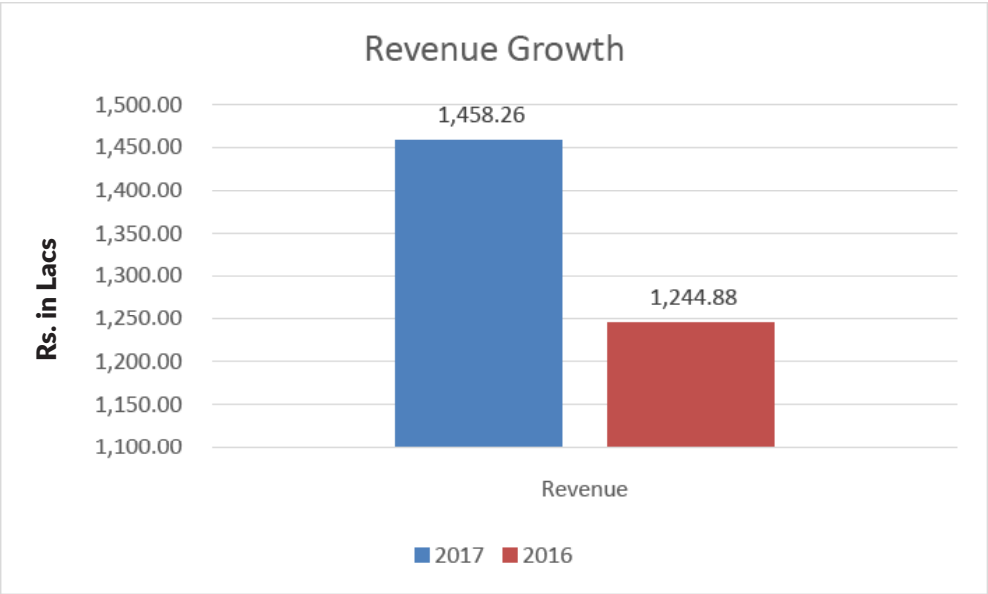
* Sectoral opportunities in retail, hospitality, retail, and PSUs
* Emergence of disruptive technologies, such as gamification
* Larger HR technology budgets from the demand side
* Cloud-based and analytics services

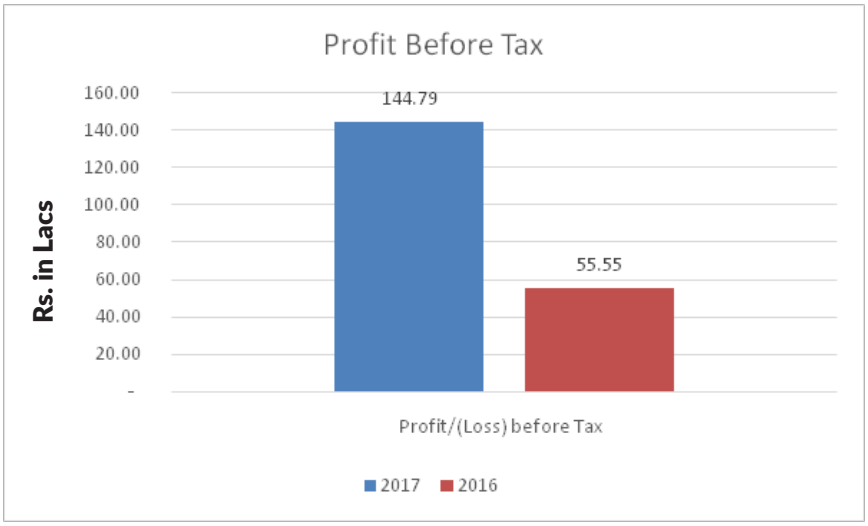
While the present scenario looks positive, future innovations in HR technology will depend on the investments that industry is willing to make. In the coming years, as organizations evolve and become increasingly complex, HR technology will be a necessity rather than a choice.

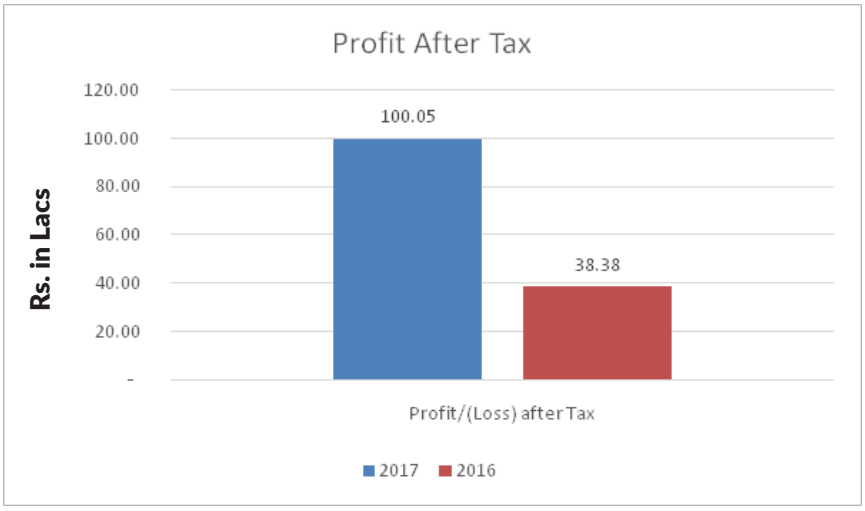
3. State of Company's Financial Affair

The total income of the Company for the year ended 31st March 2017 was Rs. 1,458.26 Lacs as against the total income of Rs.1,244.88 Lacs for the previous year ended 31st March 2016.

The Company has earned a Net Profit after Tax of Rs. 100.05 Lacs for the year under review as compared to Net Profit of Rs. 38.38 Lacs in the previous year.







4. Nature of Business

Your Company was incorporated as "Husys Consulting Private Limited" under the Companies Act, 1956 vide Certificate of Incorporation dated August 24, 2005 issued by the Registrar of Companies, Andhra Pradesh & Telangana, Hyderabad, India. Further, Your Company was converted from Private Limited to a Public Limited Company vide shareholder's resolution dated July 1, 2015 and consequently the name of our Company was changed to "Husys Consulting Limited" pursuant to a Fresh Certificate of Incorporation dated August 6, 2015. Our Company got listed on Emerge Institutional Trading Platform of National Stock Exchange of India Limited (NSE) on August 21, 2015. Further, our Company has made an application for delisting from on Emerge Institutional Trading Platform of NSE vide letter dated April 25, 2016 and had been delisted with effect from June 09, 2016 vide letter no. NSE/LIST/73566 dated May 19, 2016.Further the Company has migrated to the EMERGE (SME) Platform of National Stock Exchange on 27th September, 2016.The Corporate Identification Number (CIN) of our Company is L74140TG2005PLC047222.

Husys is in the business of creating the concept of HR Function Outsourcing (HR Function Management-HRFM). We focus to be the most innovative, trusted partner in delivering cost effective solutions in the arena of Human Resources Development to the Industry & Society. Our Objective is to be a One-Stop Solution Provider for all Human Resources Challenges of Today's Organizations. Our products are time tested and proven to be effective for business results with people involvement. We provide service products/solutions that are Customized, Cost & Time effective for Business Effectiveness.

We are a very young organization with 28 years of average age with more than 300 years of collective experience. We have been serving more than 15 different Industries with an ability to bring Cross-Industry best practices for business success.

Our Vision
Enabling people for Business

Our Mission
To be the leader in deploying & delivering high quality, innovative, cost effective and time sensitive HR Services, leveraging human potential for the advancement of both business and society

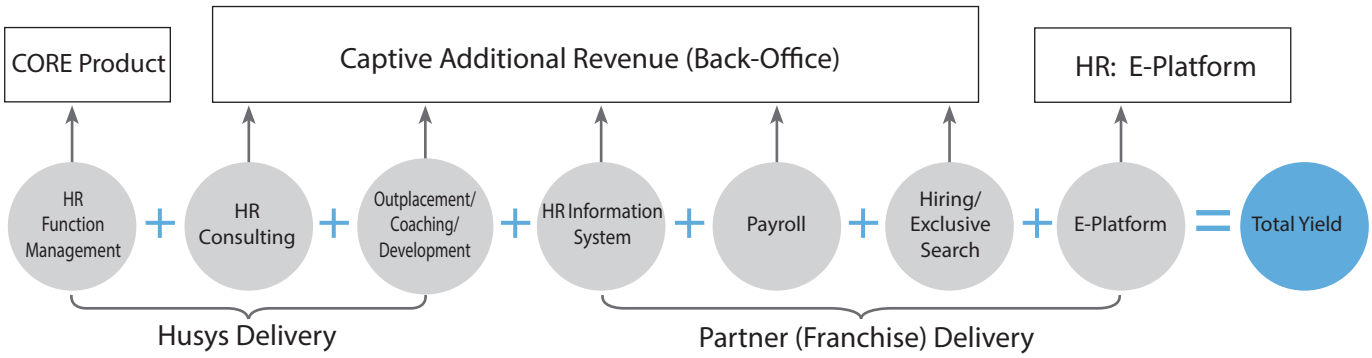
Activity Description
Following are the Products / Services offered by the Company:

I. HR OPERATIONS:

This area of competency focuses primarily on the Operational excellence and delivery capability in terms of the day to day transactions of the Business. Our Company offers various products and services under this category. This area of specialization brings the best of the breed operational efficiencies in building and Managing day-to-day business HR operations. The solutions are customized, based on the needs of the client; however, the following are some of the areas of service provided.

- **HR Function Management Solution (Core):**
  This is our Company's Flagship & Primary Service that is mastered over a period of 15 years in India. We are the pioneers and leaders in building HR Departments and Management for Small and Medium Organizations.

  A brief pictorial representation of the opportunities integrating other services is as below:



Exclusive Search:

In this solution our Company offers Talent Acquisition for clients. Husys usually has an exclusive mandate - 90% of the times, since exclusivity always gives us an opportunity to generate business and gain revenue stream using our capabilities.

These services require keeping the database, networking and a large pool of social/professional network in multiple industries. Our growing HRFM clients always have need for people and become exclusive mandates.

- o Recruitment Assignments
- o Talent Reservoir
- o Project Based Requirements
- o Bid based long-term contracts for association

- **Associate Management Service (AMS):**

  This service contributes to largest revenue to our Company due to the deployment nature of resources and management of their employment on behalf of other organizations. Our Company has designed this model with a combination of Manpower Outsourcing and HR Function Management as the key ingredients. In this service the Company not only manages the Employment but also all the HR Related issues for the employees are tracked and supported for the employers. The following are the few of the services delivered, included or chosen for support in this service. Currently our Company provides this service for various International Partners and also International Companies in India.

  - o Employer of Records (Professional Employer Organization – PEO as its call elsewhere in the world)
  - o Payroll Management (Full Blown service outside of AMS and has a scope as well for Growth)
  - o HR & Administration

- **Training & Assessment Services:**

  Our Company helps to assess the Training Needs of HRFM clients or need based support to organizations independently. This service focusses on fulfilling the Training needs of organization by helping them to get the best talent to Train their resources. Our Company keeps a pool of trainers and delivers based on the need and competency required by our clients.

II. HR CONSULTING:

Our Company has been working on this competency from the Design of our core service. As HRFM requires 5-10% of the strategic consulting solution and derived from the Consulting competency of our Senior Team members. For Mid and Large organizations, this service becomes very attractive as they would have their own HR Department who take care of the day to day operations. Our Consulting Services are more relevant for any organization at various phases as mentioned below but not limited to:

- Organizational or/and Leadership Change
- Growth/Decline/Stagnant Phases
- Acquisition & Mergers
- Change in the Business Environment & Priorities
- International Changes

Our Company delivers the following services but not limited to:

- **HR Consulting Engagements:**
  In this service Husys would involve in building the strategic support where organization needs. Husys helps organization to focus on strategic support in the areas of Talent Engagement, Talent Management & Talent Development. These are project based needs and closed with specific time frames arising out of the business need. Husys shall deploy a competent Consultant who is signed up to work as Associates based on need. We identify and map the need and the competency of the consultant for deployment and delivery. We are tracking business currently:
  - o Organizations who have need for Change and reach us or we attempt reach.
  - o Bid based for Private / Governmental / Association / Projects

- **Outplacement:**
  Husys is a part of Career Star Group which represents 70 countries. These mandates are assigned based on the Global mandates for large International organizations. The Company has built our own internal processes framework for India based outplacement. This service is offered to organization who are making workforce redundant for various reasons. The Company steps in and helps the career transition of the affected employees for the organization. The fee is paid by the Company to keep their employer brand intact. The following are some of the activities.

  - o Target: Workforce, Employees, Middle Management, Senior Management, CXO and Sr. Director Level
  - o Helps in building confidence & recover the shock, career strategy to Get to Next job, starting own business & Retirement. Key to success is Job search, CV preparation, Interview preparation, salary/offer negotiations and Planned Transition.
  - o Programs are designed to suit the requirements of the organisation. Primarily the programs are offered in 1 months, 2 months 3 months or if there are senior level employees the programs may vary from 6 months to 18 months for a CXO level.

- **HR Advisory:**
  This is a unique and long-term in many cases in which our senior consultants act as Advisor for the organization. This also has components of Transition and Interim Management options.

III. HR TECHNOLOGY:

Human Resources usage of Technology has come a long way but there is a great scope and usage yet in the organizations. With 100 million working population in SME's and not many of them are the users of technology providing a scope for our Technology Focus. This provides the direct access to the people who have the disposable income predicted every month. Husys identified some of the key areas of development to ensure the following needs are covered for the business revenues.

- Automate HR Function: A traditional HR Information System is deployed by helping all the day-to-day operations and data management for employees. The work flow of HR Function is also taken care by this model.

Husys Unique Solutions:

- Integrate Collaboration Tool: A tool that helps our partners / franchisees to enable running HR Function Management and various other services of Husys. It also helps in Managing the support group companies where there are many companies and in various industries and spread across the State / Country. This integrates Billing and Knowledge management tool for our partners. This tool also enables the Back-Office functions for Husys, Partners & Companies.

- Integrate and Enable HR E-Commerce: This reduces the strain that SME's go through generally the Purchase Power due to the low volumes. Our product support would bring the collaboration and power of negotiation as aggregator for HR Services universe.

Differentiation:

Business Services	Description	Key Differentiator	Year Started	Industries Covered
HR Function Management (HRFM)	End to End HR Solution: Husys Responsible for Setting up and Managing HR Department for SME's.	Pioneered by Husys. Cost Effective Solution, White Space Opportunity	2002	Textiles, IT, Pharma, HealthCare, Retail, Education, Services, Manufacturing, Power
Training	Providing Training for competency enhancement.	Mission HR® to build exclusive resource pool.	2002	Education, Power, IT,
Consulting	Need based HR Support	Client Need Based with Operationalization of HR support	2005	Construction, Power, Education,
Payroll & ApHusys / Misc.	Payroll Services and Transaction based services.	Generic Services	2005	PSU, Power, Construction, Services, MNC's, Manufacturing
Associate Management Services (AMS)	Employment Management as Employer. Manage the HR Support. (People Outsourcing + HR Service Model)	Our Strength is Building HR Operational Efficiency in Employee Relation	2007	Healthcare, BPO, NGO, Online Businesses, Sales Organizations, IT
Exclusive Search: Recruitment	Captive Requirements of HRFO Clients + Independent Clients	Captive with HRFM Clients, Take-up only Exclusive Searches	2009	Education, IT, Pharma, Health Care, Retail, Education, Services, Manufacturing
ApHusys / Misc.	ApHusys – Cloud based Technology service product.	Cloud based HRIS - ApHusys	2011	PSU, Power, Construction, Services, MNC's, Manufacturing
Outplacement	Helping organization in Transition of Resources during Retrenchment / Termination / Workforce Reduction	Specialized Service Part of CSG – A worldwide organization representation present in 70 countries.	2013-14	Pharma, Manufacturing, Services, Internet Based. Etc.,
Affinity Services	Helping organisations to get the benefit of Aggregation of services from Job Boards, Insurance and other services. A collaborative model built with our clients	Very Unique and New model in India	2016-17	Services, manufacturing, IT & ITES and other Industries.

STRENGTHS

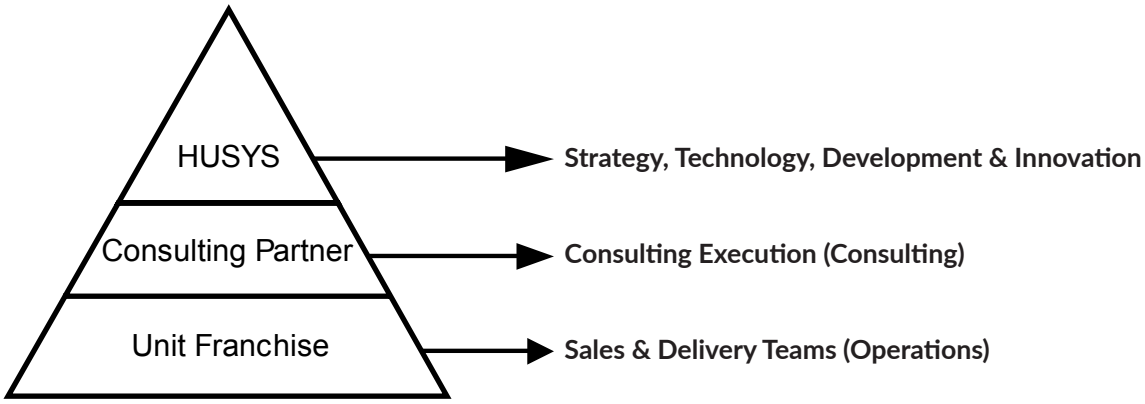
- Established Track record of 15 years indicates the Company's ability to survive business cycles.
- Competent and Well Qualified Promoters in the same line of business for 28 years, wide industry experience of the Chief Promoter Mr. G. Ramalinga Reddy in the Consultancy sector is likely to benefit business operations.
- Well defined organization structure supported by qualified and experiences second tier management that has decision making powers.

- Diversified service profile, the Company provides an array of HR Management and Consulting services such as human resources function outsourcing, Human Resources Training, Human Resources Pay roll management, cloud based human resource information systems, Associate Management service and recruitments. Moreover, the Company is also engaged in development of on-demand software services.
- **Customer focused growth strategies:** Continue to pursue our customer-focused "account mining" strategy which has yielded good results last year too, we will continue investing in our account management teams to extend our farming successes beyond Revenue per customer has been on the rise, signaling our success in mining focus accounts.
- **Superior corporate leadership and governance:** Our senior management comprises of some of the most seasoned leaders in the industry from diverse backgrounds, geographies and with different areas of specialization in the Human Resources industry. Their leadership and governance helped us deliver an all-round performance which was recognized by media (name the Awards) Assess candidates across a wide range of criteria, including financial performance, leadership, creativity, innovation and social responsibility. Other evaluation factors include the ability of candidates to create short-term advantage, long-term value, a competitive edge and the demonstration of leadership in the business community. Covered various aspects, including most convincing and coherent strategy, best system of corporate governance; most accessible senior management; most transparent financial accounts; best for shareholder value; most useful and informative website and most improved performance. This reflects Husys Consulting, ability to execute end-to-end lifecycle services from Human Resources Service concept to product development, testing and deployment and forging 'Go-to-Market' partnerships.
- **Robust sales organization:** As the Company is going through a phase of moderate growth, the success of an organization is critically dependent upon the efficiency of its sales engine - ability to win new business and mine the existing clients. Over the last one year, following initiatives were undertaken in these areas: Creation of a dedicated team to focus on account planning and governance, significant strengthening of sales team, creation of separate hunting and farming teams to leverage the sales team capabilities efficiently, renewed focus to get strong good quality new logos to enable stronger growth. These initiatives have helped improve collaboration between Husys Consulting verticals and service lines.
- **Domain expertise and technical excellence:** We believe in the Human Synergies at work for helping the world to do business in next century. We strongly believe and advocate the collaboration for organizations to sustain business edge in the future. In view of our beliefs we constantly make our undying spirit of collaborative ecosystem we partner with people who are like-minded and build synergies for a better world. The following are few partnerships Career Star Group Ltd., iWorkGlobal., Nina E Woodard Associates Inc., US.
- **People focus and high performance culture:** Our biggest strength is our people; we call ourselves Husys't Thinkers. As at March 31, 2017 we have 167 Husys't Thinkers. We ensure that we offer the best workplace to our Thinkers where they can perform to the best of their abilities. Our initiatives in the field of performance management, employee engagement, workplace sustainability, diversity and inclusivity have been strengthened throughout year. The Company is forthcoming in recognizing and rewarding high performers. Company recognizes the fact that leadership is a critical component of its organizational strategy. Hence it is focused on developing leadership across organizational levels and helps leaders to transition seamlessly from one level to another. We continued to provide a comprehensive suite of leadership programs to all levels of career transitions. It included executive coaching, 360-degree feedback, one to one mentoring and specialized training tailored to new or experienced leaders.

OUR BUSINESS STRATEGY

We at are united by the Core Values that binds every Husys't (Our Team Members) to deliver the best to our clients. We strive to live up to these values and make every second of our service is delivered with the same rigor and consistency all through our journey with our clients.

How the Future of our Business Delivered.



Integrity:
We are committed by the value of integrity and would not pursue any deviation to help our clients. We work for profitability of our clients while preserving the value for our existence. Our integrity is important to retain and sustain the growth for our clients and their employees.

Commitment:
Our commitment to client delivery and the Vision & Mission we set out for ourselves is the corner stone for our success. None of our associates would deviate from any commitments that we promised to deliver and try and excel in our effort in bringing more value.

Service:
Every moment a positive experience for our clients make us to deliver the best. We understand to count our every hour and day in converting opportunities into action for our clients through people. We are bound by the set expectations and we strive to surpass every second in delivering the best to our clients.

Enterprising:
Working with Entrepreneurs would never be possible unless being Enterprising in every activity that we perform. Every Husyst (Our team members) is trained to be an entrepreneur first and in HR Function later. We know the efforts of our enterprising clients in building and developing an organization of repute.

The Drivers of our environment:

- Integrity
- Commitment
- Service
- Enterprising

Found at India with an aim to redefine the Human Resources function. Husys originated out of a need for a good partnership for companies to grow. Business is all about how we keep our costs at optimum and deliver better results for the stakeholders. We have started our Operations based at Hyderabad in the year 2002. We have been successful in bagging the HR Functional Outsourcing contract within 1 month of operation, which meant a great historic achievement in Managing HR Function and Outsourcing the same. Today we are the people who are synonymous with HR Function Outsourcing. We re-defined the way the HR Function Management is outsourced since 2002 with more than 300+ Clients (Including Fortune 500) and featured in various forums as the most innovative HR Business Model and applauded by Media in India.

Few Firsts @ Husys:

- First & Only Fully Integrated HR Function Management/Outsourcing Organization in India.
- First HR Function Outsourcing Company Rated by CRISIL
- First to Introduce "Pooled HR Management" & "Startup HR Solutions"
- First to introduce MissionHR® (only On-the-Job HR Function Management program) in India.
- First Partner based Business Associates Model for an HR Function Management Company in India.
- One of the First Cloud based HRIS application launched (ApHusys: Application for Human Synergies) in India.
- First HR Company listed on National Stock Exchange under EMERGE Institutional Trading Platform (ITP) for SME segment.
- First HR Company listed on National Stock Exchange under EMERGE, THE SME Growth Platform for SME Segment.
- First HR Company to provide Affinity Services in India

THE IMPORTANCE OF THE SEGMENT

Companies will not survive if the marketing strategy is dependent upon targeting an entire mass market. The importance of market segmentation is that it allows a business to precisely reach a consumer with specific needs and wants. In the long run, this benefits the Company because they are able to use their corporate resources more effectively and make better strategic marketing decisions.

Organizations create a set of segments to project their products focusing on a specific niche market. This niche market defines the product features aimed at satisfying specific market needs including the price, quality & demographic factors. Organizations use segmentation as a tool to make optimum utilization of their finite resources.

Market Segmentation and subsequent Product Differentiation Strategy by an organization is concentrating all marketing efforts on a small but specific and well defined segment of the population. This is done through identifying needs, wants and requirements that are being addressed poorly or not at all by other firms, and developing and delivering goods or services to satisfy them. As a strategy, Market Segmentation is aimed at being a big fish in a small pond instead of being a small fish in a big pond.

- **In essence, objectives of segmentation analysis are:**
  - To reduce risk in deciding where, when, how, and to whom a service, or brand will be marketed
  - To increase marketing efficiency by directing effort specifically toward the designated segment in a manner consistent with that segment's characteristics

While it is relatively easy to identify segments of consumers, most Company do not have the capabilities or the need to effectively market their services to all of the segments that can be identified. A Company selects its target market because it exhibits the strongest affinity to a particular services or brand. It is in essence the most likely to buy the service.

5. Change in the nature of business

During the year the Company has not changed its business.

6. Dividend

The Board recommended a Dividend of Rs. 0.50 paise per Equity share for the year..

7. Reserves

The Board of the Company has decided to carry Rs. 88.64 Lacs to the Reserves of the Company.

8. Finance

Cash and cash equivalents as at March 31, 2017 were Rs.11,932,505/-. The Company continues to focus on judicious management of its working capital, receivables, and inventories. Other working capital parameters were kept under strict check through continuous monitoring.

9. Share Capital

The Authorized share capital of the Company is Rs. 50,000,000/-(Equity Shares of 5,000,000). Further, the Paid up Capital of the Company has been raised from Rs. 16,732,500/- (Equity Shares of 1,673,250) to Rs.22,812,500/- (Equity Shares of 2,281,250) pursuant to allotment of 608,000 equity shares of Rs 10/- each at a premium of Rs.59/- per Equity Shares by way of Initial Public Offer. Apart from this, during the year your Company has not issued any Equity shares with differential voting rights.

However, the Company at their Extra Ordinary General Meeting held on March 21, 2016 had approved Husys Employee Stock Option Scheme, 2016 for employees. No options have been granted under the said scheme as on the date of this Annual Report.

10. Meetings

During the year Six Board Meetings were convened and held and the intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The dates on which the Board Meetings were held are 19th April 2016, 25th May 2016, 01st August 2016, 27th August 2016, 09th November 2016, and 06th March 2017.

11. Details of Directors or Key Managerial Personnel Appointed or Resigned During the Year Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013, Ms. Gundlapally Praveena Reddy, Whole time Director and Ms. Geeta Goti, Executive Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offered themselves. for reappointment.

Appointment of Director

Mr. Atal Malviya was appointed as Additional Director in the capacity of Independent Director of the Company pursuant to the provisions of the Companies Act 2013 and Rules made thereunder through resolution passed by Circulation on May 24, 2016 and the same was regularized by the members of the Company in the Extra Ordinary General Meeting held on August 18, 2016.

Change in Designation/ Resignation of Director

Mr. Atal Malviya was regularized as Independent director by the members of the Company in the Extra Ordinary General Meeting held on August 18, 2016

Resignation of Key Managerial Personnel

Ms. Harshita Jain resigned from the post of Company Secretary of the Company with effect from November 10, 2016.

Appointment of Key Managerial Personnel

Pursuant to the provisions of Section 2(18) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2014, Ms. Ramyanka Yadav K was appointed as Company Secretary of the Company with effect from 11th November, 2016.

Pursuant to the provisions of Section 2(18) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2014, Ms. Megha Chandak was appointed as Company Secretary of the Company with effect from 08th February, 2017.

12. Details of Remuneration to Directors

The information relating to remuneration of Directors and details of the ratio of the remuneration of each Director to the median employee's remuneration and other details as required pursuant to section 197(12) of the Act read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

13. Declaration by Independent Directors

The Independent Director(s) have submitted the declaration of independence pursuant to section 149(7) of the Act stating that he/they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

14. Annual Evaluation of the Board

Pursuant to the provisions of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its performance, the Directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees.

The following are some of the broad issues that are considered in performance evaluation:

Criteria for evaluation of Board and its Committees:

- Setting up of performance objectives and performance against them
- Board's contribution to the growth of the Company
- Whether composition of the Board and its Committees is appropriate with the right mix of knowledge and skills sufficient to maximize performance in the light of future strategy
- Board's ability to respond to crisis
- Board communication with the management team
- Flow of quality information to the Board

Criteria for evaluation of Independent Directors

1. Demonstrates willingness to devote time and effort to understand the Company and its business
2. Demonstrates knowledge of the sector in which the Company operates
3. Quality and value of their contributions at board meetings
4. Contribution to development of strategy and risk management policy
5. Effective and proactive follow up on their areas of concern

Criteria for evaluation of Non-Independent Directors

1. Knowledge of industry issues and exhibition of diligence in leading the organization
2. Level of attendance at the Board and Committee meetings where he is a member
3. Effectiveness in working with the Board of Directors to achieve the desired results
4. Providing direction and support to the Board regarding its fiduciary obligations and governance role
5. Providing well-balanced information and clear recommendations to the Board as it establishes new policies

15. Audit Committee

The Board has constituted Audit Committee as required under Companies Act, 2013. The Composition of the Committee is as under:

Name of the Member	Designation
Mr. Biju Varkkey	Chairman
Ms. Nina Elizabeth Woodard	Member
Mr. Atal Malviya	Member

The role of the Audit Committee shall include the following:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to our Board for approval, with particular reference to:
   - **(a)** Matters required to be included in the Director's Responsibility Statement to be included in our Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
   - **(b)** Changes, if any, in accounting policies and practices and reasons for the same;
   - **(c)** Major accounting entries involving estimates based on the exercise of judgment by management;
   - **(d)** Significant adjustments made in the financial statements arising out of audit findings;
   - **(e)** Compliance with listing and other legal requirements relating to financial statements;
   - **(f)** Disclosure of any related party transactions; and
   - **(g)** Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to our Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to our Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors any significant findings and follow up there on;
16. 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;
17. Discussion 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;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

16. Nomination and Remuneration Committee & Remuneration Policy Nomination and Remuneration Committee

The Board has constituted Nomination and Remuneration Committee as required under Companies Act, 2013. The Composition of the Committee is as under:

Name of the Member	Designation
Mr. Atal Malviya	Chairman
Ms. Nina Elizabeth Woodard	Member
Mr. Biju Varkkey	Member
Mr. Gundlapally Ramalinga Reddy	Member

In terms of the provisions of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee is responsible for formulating the criteria for determining the qualifications, attributes and Independence of a Director. The Nomination and Remuneration Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management.

In line with the requirement, the Board has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management which is as follows.

Objectives of the Policy

The objectives of this policy are as detailed below:

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- The policy also addresses the following items: Committee member qualifications; Committee member appointment and removal; Committee structure and operations; and Committee reporting to the Board.
- To formulate the criteria for evaluation of performance of all the Directors on the Board;
- To devise a policy on Board diversity; and
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of Directors their appointment and removal.
- 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.
- To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

Remuneration Policy

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Our compensation philosophy is to align Directors and Husys Minds compensation with our business objectives, so that compensation is used as a strategic tool that helps us recruit, motivate and retain highly talented individuals who are committed to our core values. We believe that our compensation programs are integral to achieving our goals. Through its compensation program, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and performance incentives, commission (variable component) to its Chairman, Managing Director and other Executive Directors. Annual increments are decided by the Nomination & Remuneration Committee within the salary scale approved by the Board and Shareholders.

17. Stakeholder Relationship Committee

The Board has constituted Stakeholder Relationship Committee as required under Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ("Regulations").

The Composition of the Committee is as under:

Name of the Member	Designation
Mr. Biju Varkkey	Chairman
Ms. Geeta Goti	Member
Ms. Nina Elizabeth Woodard	Member
Mr. Gundlapally Ramalinga Reddy	Member

Set forth below are the terms of reference of our Stakeholders Relationship Committee.

1. Considering and resolving grievances of shareholders, debenture holders and other security holders;
2. Redressal of grievances of the security holders of our Company, including complaints in respect of transfer of shares, non-receipt of declared dividends, balance sheets of our Company etc.;
3. Allotment of Equity Shares, approval of transfer or transmission of equity shares, debentures or any other securities;
4. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.
5. Overseeing requests for dematerialization and re-materialization of shares; and
6. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

Investor Grievance Redressal Policy

The Company has adopted an internal policy for Investor Grievance handling, reporting and solving.

18. Vigil Mechanism

The Company has formulated a Whistle blower policy and has established vigil mechanism for employees including Directors of the Company to report genuine Concerns. The provisions of this Policy are in line with the provisions of the Section 177(9) of the Act.

19. Risk Management Policy

The Company has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on time to time basis.

20. Policy on Preservation of the Documents

The Company has formulated a Policy pursuant to Regulation 9 of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") on Preservation of the Documents to ensure safekeeping of the records and safeguard the Documents from getting manhandled, while at the same time avoiding superfluous inventory of Documents.

21. Policy on Criteria for Determining Materiality of Events

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations).

The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

22. Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to prevent Sexual Harassment of Women at Workplace a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified on 9th December, 2013. Under the said Act every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

The Company has adopted "Anti-Sexual Harassment Policy" constituted "Redressal Committee" as required under section 4 (1) of Sexual harassment of women at work place (prevention, prohibition and redressal) Act, 2013.

This Committee consists of following members:

Ms. Saritha Pandurangi
Ms. Snehalata Somayajula
Ms. Geeta Goti
Ms. Megha Chandak

During the year under review, no complaint of harassment at the workplace was received by the Committee.

23. Auditors: Statutory Auditors

M/s. JBRK & Co., Chartered Accountants, Hyderabad, Firm Registration Number 005775S, Re-appointed as Statutory Auditors of the Company to hold office until the conclusion of the upcoming Annual General Meeting. subject to ratification of the appointment by the Members of the Company at every Annual General Meeting as per the provisions of the Companies Act, 2013 till the conclusion of forth coming fourth Annual General Meeting of the Company.

In this regard the Company has received certificate from the Auditors to the effect that if they are appointed it would be in accordance with the provisions of section 141 of the Companies Act, 2013.

Accordingly, proposal for their re-appointment as Statutory Auditors is being placed before the shareholders for approval at the 12th Annual General Meeting.

Auditors' Report

M/s. JBRK & Co., Chartered Accountants, Hyderabad, Firm Registration Number 005775S have issued their Report for the Financial Year ended 31st March 2017.

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their report and hence no explanation or comments of the Board is required in this matter.

Disclosure about Cost Audit

The Central Government has not prescribed the maintenance of Cost records under section 148(1) of the Companies Act, 2013, for any of the services rendered by the Company.

Secretarial Audit

A Secretarial Audit Report given by R&A Associates, Company Secretaries is annexed with the report. The report is self-explanatory and do not call for any further comments.

Internal Audit Controls and their adequacy

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

To maintain its objectivity and independence the Internal Audit function reports to the Chairman of the audit committee of the Board and to the Chairman and Managing Director.

The internal Audit department monitors and evaluate the efficiency and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit functions, process owner undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the audit committee of the Board.

Adequacy of internal financial controls with reference to the financial statements

The Company has internal Auditors and the Audit Committee constituted are in place to take care of the same. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

24. Details of Subsidiaries Joint Venture or Associates

The Company has no Subsidiaries Joint Venture or Associates.

25. Group Entities

Below mention are the details of Companies/Entities promoted by the promoters of our Company. No equity shares of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

Our Group Entities include:

1. Veena Educational Society
2. Gymin Sport Private Limited

26. Details of significant and material orders passed by the regulators or courts or tribunals.

There were no such orders passed.

27. Deposits from Public

The Company has not accepted any Deposits within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

28. Particulars of Loans, Guarantees or Investments Under Section 186

No loans and advances given to the Key Managerial Personnel except loans and advances given to our Promoters Mr. Gundlapally Ramalinga Reddy of Rs. 12.15 Lacs as on the date March 31, 2017, the whole amount is repaid on 30.05.2017.

29. Particulars of Contracts or Arrangements with Related Parties:

All transactions entered into with the related parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company and hence, enclosing of form AOC- 2 is not required, Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the notes to the Financial Statements.

Policy on Related Party Transactions

The Company has developed a Related Party Transactions Policy for purpose of identification and monitoring of such transactions.

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Clause 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable to the Company.

The policy on related party transactions as approved by the Board is uploaded on the Company's website and can be accessed at http://husys.net/pdf/Related_Party_Transactions_Policy_Husys.pdf.

30. Particulars of Employees

There are no employees drawing remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Information as required under the provisions of Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in Directors' Report.

31. Material Changes and Commitments

There are no material changes and commitments affecting the financial position of the Company from the financial year ended 31st March, 2017 to the date of signing of the Director's Report.

32. Transfer of Amounts to Investor Education and Protection Fund

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

33. Listing with Stock Exchanges

At present the equity shares of the Company are listed on the Emerge-the SME Growth Platform of National Stock Exchange at Mumbai. The Company confirmed it has paid Annual Listing Fees due to the National Stock Exchange for the year 2017-18.

34. Corporate Governance

Your Company has been practicing the principles of good corporate governance. A detailed report on corporate governance is available in annual report.

35. Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 read with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the code of conduct for prevention of insider trading and the Code for Corporate Disclosures ("Code"), as approved by the Board from time to time, are in force by the Company. The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, designated employees and other employees. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees and other employees from trading in the securities of Husys Consulting Limited at the time when there is unpublished price sensitive information.

36. Depository System

As the Members are aware, your Company's shares are trade-able compulsorily in electronic form and your Company has established connectivity with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, the members are requested to avail the facility of Dematerialization of the Company's shares on NSDL & CDSL. The ISIN allotted to the Company's Equity shares is INE336T01010.

37. Extract of Annual Return

The Extract of Annual Return is prepared in **Form MGT-9** as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed in Annual Report.

38. Directors' Responsibility Statement

Pursuant to the Provisions of Section 134 of the Companies Act, 2013, the Director's states that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and Statement of Profit of the Company for that period;

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts on a going concern basis; and

(e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

39. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as prescribed under Sub Section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014.

A. Conservation of Energy:

The Company's core activity is Human Resource Management and services related which is not power intensive. The Company is making every effort to conserve the usage of power

B. Technology Absorption (R&D, Adaptation and Innovation):

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:
   (i) Continuous research to upgrade existing products and to develop new products and services.
   (ii) To enhance its capability and customer service the Company continues to carry out R & D activities in house.

2. Benefits derived as a result of the above efforts:
   (i) Introduction of new and qualitative products.
   (ii) Upgrade of existing products.

3. Future plan of action:
   Husys will continue to invest in and adopt the best processes and methodologies suited to its line of business and long-term strategy. Training employees in the latest appropriate technologies will remain a focus area. The Company will continue to leverage new technologies and also on the expertise available.

C. Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual Outflows

(Amount in ₹)

Particulars	2016-2017	2015-2016
Foreign Exchange Earnings	125,265,684	108,436,572
Foreign Exchange Outgo	496,014	397,787

40. Business Responsibility Report

Your Company has always been at the forefront of voluntary disclosures to ensure transparent reporting on all matters related to the Company's governance and business operations, and has voluntarily undertaken to publish the required data to extent applicable and accordingly, the Business Responsibility Report is annexed in the Annual Report. The said report comprehensively covers your Company's philosophy on corporate social responsibility, its sustainability activities pertaining to efforts on conservation of environment, conducting green awareness events, its commitment towards society, enhancing primary education, initiatives and activities taken up as part of this philosophy for the year 2017-18. Business Responsibility Report as required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations) is disclosed separately in the current Annual Report.

41. Management Discussion and Analysis Report

Management Discussion and Analysis Report as required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations) is disclosed separately in the current Annual Report.

42. Events during the Financial Year

- The Company had applied for de-listing from the ITP-EMERGE Platform of National Stock Exchange vide letter dated April 25, 2016 and had been delisted with effect from w.e.f. June 09, 2016 vide letter no.NSE/LIST/73566 dated May 19, 2016.
- The Company has migrated to the EMERGE, THE SME GROWTH Platform of National Stock Exchange on 27th September, 2016.

43. Acknowledgments

The Directors would like to thank all the Stakeholders including Financial Institutions, Banks, Government Authorities, Power Utilities, Regulators, Customers, Vendors and Members for their continued support to the Company. Your Directors also wish to place on record their deep sense of appreciation for the excellent services of the employees at all levels and all other associated with the Company.

For and on behalf of the Board of Directors
For Husys Consulting Limited

	Sd/-	Sd/-
	Gundlapally Ramalinga Reddy	**Gundlapally Praveena Reddy**
Date: 30.05.2017	**Managing Director**	**Whole-Time Director**
Place: Hyderabad	**DIN: 00559079**	**DIN: 00559136**

DETAILS OF RATIO OF REMUNERATION OF DIRECTOR

[Section 197(12), r/w Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014]

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

Name of the Director	Ratio to the Median
Mr. Gundlapally Ramalinga Reddy	20.52:1
Ms. Gundlapally Praveena Reddy	6.45:1
Ms. Geeta Goti	17.41:1

II. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**

Name of the Director	% in increase
Mr. Gundlapally Ramalinga Reddy	36%
Ms. Gundlapally Praveena Reddy	Nil
Ms. Geeta Goti	27%
Mr. Francis Paul	Nil
Ms. Harshita Jain	Nil
Ms. Megha Chandak	Nil

III. **The percentage increase in the median remuneration of employees in the financial year;**

The percentage increase in the median remuneration of Husys during the financial year is 1%.This has been arrived at, by comparing the median remuneration of the cost-to-the Company of the Husys Consulting as on March 31, 2017, and the median remuneration of the cost-to-the Company of the Husys Consulting as on March 31, 2016.

IV. **The number of permanent employees on the rolls of Company;**

The total number of Husys't as on March 31, 2017 was 167, and as on March 31, 2016 was 142.

V. **The explanation on the relationship between average increase in remuneration and Company performance;**

The increase in Company revenue for the Financial Year 2016-17 over 2015-16, was 17.20% and the average increase given to employees was 10%. The average increase in remuneration is not based on Husys Consulting's performance alone, but also takes into consideration other factors like market benchmark data; the average increases being given by peer companies and overall budgetary impact within the Company. The % increase which was given in FY 2016- 17 was at similar levels as the rest of the industry and as factored in the budget for the year.

VI. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;**

The remuneration of the Key Managerial Personnel was 2.75% of revenue and 39.96% of Profits.

VII. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;**

Particulars	2017	2016
Share price as at March 31	41.00	70.00
No of equity shares	2,281,250	1,673,250
PE ratio	6.46	21.08
Market capitalization	93,531,250	117,127,500

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

IX. **Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company**

The comparison of remuneration of the each of the Key Managerial personnel against the Company PAT and Revenue for the FY 2016-17 is as follows

Name of the Director	% of revenue	% of PAT
Mr. Gundlapally Ramalinga Reddy	1.27	18.48
Ms. Gundlapally Praveena Reddy	0.39	5.81
Ms. Geeta Goti	1.08	15.68

X. **The key parameters for any variable component of remuneration availed by the Directors;**

The key parameters for variable components are Company PAT, EBITDA, Revenue and share price.

XI. **The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year;**

Not applicable. There are no Husyst who are getting paid more than the highest paid Director during the current financial year

XII. **Affirmation that the remuneration is as per the remuneration policy of the Company.**

Yes; the remuneration is as per the remuneration policy of the Company.

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH,2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and RuleNo.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Husys Consulting Limited
1-8-505/D/E/A, Husys House, Prakash Nagar Extension
Begumpet, Hyderabad-500016,Telangana, India

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31stMarch,2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31stMarch,2017 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 –(*Not applicable to the Company during the Audit Period)*;
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) Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;
    c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28thOctober 2014-*(Not applicable to the Company during the Audit Period)*;
    f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    g) 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;
    h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998–(*Not applicable to the Company during the Audit Period).*

vi. We further report that as the Company is engaged into HR Consulting Services, no specific industry laws as such are applicable to the Company.

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 Listing Agreement entered into by the Company with NSE India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations/Qualification;

1. The Company has not filed the Form MGT-14 towards the approval of Annual Financial Statements for the Financial Year ended 31st March, 2016 as required under Section 179 of Companies Act, 2013 read with rules made their under.

We further report that:

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

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee 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.

We further report that during the audit period, the Company has:

i. Delisted its securities from Emerge Institutional Trading Platform of NSE India Limited.
ii. Listed its securities on SME Stock Exchange of NSE India Ltd.

For R & A Associates
Company Secretaries

Sd/-
Rashida Adenwala
Partner
FCS No.:4020
C P No.:2224

Place: Hyderabad
Date: 30th May, 2017

{This report is to be read with our letter of even date, which annexed as "Annexure-A" and forms an integral part of this report}

"Annexure – A"

To
The Members
Husys Consulting Limited
1-8-505/D/E/A, Husys House, Prakash Nagar Extension
Begumpet, Hyderabad-500016, Telangana, India

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

1. Maintenance of secretarial records is the responsibility of the management of M/s. Husys Consulting Limited, **("the Company").** Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws,rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For R & A Associates
Company Secretaries

Sd/-
Rashida Adenwala
Partner
FCS No.:4020
C P No.:2224

Place: Hyderabad
Date: 30th May, 2017

CORPORATE GOVERNANCE REPORT

Corporate governance is about maximizing shareholder's value legally, ethically and on sustainable basis, while ensuring fairness to every stakeholder, customers, employees, investors, vendors-partners and governmental authorities. Therefore, corporate governance is a reflection of a Company's culture, policies, and its relationship with the shareholders, and its commitment to values.

Husys in its initiative and drive towards good governance and accountability has upheld the corporate governance through ethical business practices, integrity and the transparent business operations. Husys believes the sound corporate governance practices provide an important framework to assist the Board in fulfilling its responsibilities. Board of Directors is elected by shareholders with responsibility to set strategic objectives to the management and to ensure that the long term interest of all the stakeholders are served by adhering to and enforcing the principles of sound Corporate Governance. Thus, the management is responsible to establish and implement policies, procedures and systems to enhance long-term values of the Company.

The Share owners remain the nucleus of our growth strategy and consistently your Board endeavors and practices a great degree of integrity, transparency, accountability in a truthful and ethical manner that enhances long term shareholder value. The Company is in compliance with the requirements of the Corporate Governance as per Listing Agreement and with the adoption of the Code of Conduct and a robust compliance monitoring system, the Company has advanced further in its pursuits of excellence in Corporate Governance.

Board of Directors

The Company is managed and controlled through a professional Board of Directors comprising of an optimum combination of Executive and Non-Executive Independent Directors. The composition of the Board of Directors of the Company is in conformity with the provisions of the Listing Agreement with the Stock Exchange(s). The present strength of the Board of Directors is Six (6), out of which three (3) members are Non-Executive Independent Directors constituting 50 percent of the total strength. The Company's Board consists of eminent persons with considerable professional expertise and experience. The Independent Directors do not have any other material pecuniary relationship (other than receiving remuneration) or transactions with the Company, its promoters, its management or its subsidiaries, which may affect the independence or judgment of the Directors.

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

Size and Composition of the Board

Composition of the Board and Directorships held as on 31st March, 2017

Name of the Director	DIN	Indian Public Companies	All Companies Around the World	Board Committees	
				Chairmanship	Membership
Executive Directors					
Mr. Gundlapally Ramalinga Reddy	00559079	-	1	1	2
Ms. Gundlapally Praveena Reddy	00559136	-	-	-	1
Ms. Geeta Goti	06866598	1	-	-	-
Independent Directors					
Ms. Nina Elizabeth Woodard	00754603	-	1	-	3
Mr. Biju Varkkey	01298281	-	-	2	1
Mr. Atal Malviya	02061495	-	-	1	2

Note:

(1) Directorships in companies around the world (listed, unlisted and private limited companies).

(2) As required by the Listing Agreement, the disclosure includes chairmanship/membership of the audit committee and stakeholders' relationship committee in Indian Public companies.

The current policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors (IDs) to maintain the independence of the Board, and separate its functions of governance and management. Currently, the Board consists of Six members, three of whom are Executive or Whole-time Directors (ED) and three IDs including three Woman Director. Fifty per cent of the total number of Directors comprise of Non Executive Directors. The Board periodically evaluates the need for change in its composition and size. Detailed profile of our Directors is available on our website: www.husys.com.

None of the NEDs serve as IDs in more than seven listed companies and none of the Executive or Whole-time Directors serve as IDs on any listed Company.

The terms and conditions of appointment of IDs is available on the Company's website and can be accessed at **http://husys.net/pdf/Husys_Code_of_Conduct.pdf**

Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The Policy for appointment and removal of Directors and determining Directors' independence forms part of the Directors' Report.

Board Evaluation

The Nomination and Remuneration Committee has approved a Policy for evaluation of the Board, its Committees and Directors and the same has been approved by the Board of Directors of the Company. The process for Board Evaluation is given in the Directors' Report.

Compensation Policy for Board and Senior Management

The Board has approved the Remuneration Policy for Directors, KMP and all other employees of the Company. The Remuneration Policy is mentioned in the Directors' Report.

Shares held and cash compensation paid to Directors for the year ended 31st March, 2017

Name	Fixed Salary			Commission	Sitting Fees	Total Compensation	No. of Equity Shares held
	Basic	Perquisites/ Allowances	Total Fixed Salary				
Executive Directors							
Mr. Gundlapally Ramalinga Reddy	800,000	1,048,660	1,848,660	-	-	1,848,660	937,885
Ms. Gundlapally Praveena Reddy	253,224	327,840	581,064	-	-	581,064	644,000
Ms. Geeta Goti	679,232	-	1,568,676	-	-	1,568,676	-
Independent Directors							
Ms. Nina Elizabeth Woodard	-	-	-	-	15,000	15,000	-
Mr. Biju Varkkey	-	-	-	-	22,500	22,500	-
Mr. Atal Malviya	-	-	-	-	12,500	12,500	-

Notes:

None of the Directors hold stock options as on 31st March, 2017. None of the EDs are eligible for payment of any severance fees and the contracts with EDs may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.

BOARD MEETINGS

Scheduling and selection of agenda items for Board meetings

Board meetings are held at the registered office at 1-8-505/D/E/A, Husys House, Prakash Nagar, Begumpet, Hyderabad-500016. The Board periodically reviews compliance reports of all laws applicable to the Company. The Board meets at least once a quarter to review the quarterly results and other items on the agenda and also on the occasion of the Annual General Meeting (AGM) of the shareholders. Additional meetings are held, when necessary. Committees of the Board usually meet the day before on the date of the formal Board meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval.

Six Board meetings were held during the year ended 31st March, 2017 on 19th April 2016, 25th May 2016, 01st August 2016, 27th August 2016, 09th November 2016, and 06th March 2017. The gap between no two Board meetings exceeded one hundred and twenty days.

Attendance of Directors for the year ended 31 March, 2017

Name of the Director	Category	No. of Meetings Attended
Mr. Gundlapally Ramalinga Reddy	Executive Directors	6
Ms. Gundlapally Praveena Reddy	Executive Directors	6
Ms. Geeta Goti	Executive Directors	6
Ms. Nina Elizabeth Woodard	Independent Directors	4
Mr. Biju Varkkey	Independent Directors	6
Mr. Atal Malviya	Independent Directors	4

Note: Mr. Atal Malviya was appointed as Additional Director in the capacity of Independent Director with effect from 24th May, 2016 and was regularized as Independent Director in the EGM held on 18th August, 2016.

Discussions with Independent Directors

The Board's policy is to regularly have separate meetings with IDs, to update them on all business-related issues and new initiatives. At such meetings, the EDs and other members of the Management make presentations on relevant issues.

BOARD COMMITTEES

Audit Committee

The Audit Committee was constituted on 6 August, 2015. The terms of reference of the Audit Committee is as set out in Regulation 18 of the SEBI (Listing Obligation and the Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them.

The Company Secretary acts as the Secretary of the Committee.

One meeting of the Committee was held during the year ended 31st March, 2017 on 19th April, 2016
The composition of the Committee and the attendance details of the members are given below:

Name of the Members	Category	No. of Meetings Attended
Mr. Biju Varkkey	Non- Executive & Independent Directors	1
Ms. Geeta Goti	Non- Executive & Independent Directors	1
Ms. Gundlapally Praveena Reddy	Executive Directors	1

Thereafter the Audit Committee was Re-constituted through Circular Resolution passed on 24th May, 2016 and the 2nd Audit Committee for the year ended 31st March, 2017 was held on 09th November, 2016.

After the Re-constitution, the composition of the Committee was as given below :

The composition of the Committee and the attendance details of the members are given below:

Name of the Members	Category	No. of Meetings Attended
Mr. Biju Varkkey	Non- Executive & Independent Directors	1
Ms. Nina Elizabeth Woodard	Non- Executive & Independent Directors	1
Mr. Atal Malviya	Non- Executive & Independent Directors	-

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on 6th August, 2015. The terms of reference of the Nomination and Remuneration Committee is as set out in Regulation 19 of the SEBI (Listing Obligation and the Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

The purpose of the Committee is to oversee the Company's Nomination process for the senior management and specifically to identify, screen and review individuals qualified to serve as Executive Directors, Non- Executive Directors and Independent Directors consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the AGM of the shareholders.

The Committee also discharges the Board's responsibilities relating to compensation of the Company's Executive Directors and senior management. The Committee has the overall responsibility of approving and evaluating the compensation plans, policies and programmes for Executive Directors and the senior management. The Committee reviews and recommends to the Board, to approve for the Executive Directors, the base salary, incentives/commission, other benefits, compensation or arrangements and executive employment agreements.

The Committee further coordinates and oversees the annual self-evaluation of the performance of the Board, Committees and of individual Directors.

One meeting of the Committee was held during the year ended 31st March, 2017 on 23rd May, 2016.

The composition of the Committee and the attendance details of the members are given below:

Name of the Members	Category	No. of Meetings Attended
Ms. Geeta Goti	Non- Executive & Independent Directors	1
Ms. Nina Elizabeth Woodard	Non- Executive & Independent Directors	-
Mr. Biju Varkkey	Non- Executive & Independent Directors	1

Thereafter the Nomination and Remuneration Committee was Re-constituted through Circular Resolution passed on 24th May, 2016 and the 2nd and 3rd Nomination and Remuneration Committee meeting for the year ended 31st March, 2017 after the Re-constitution were held on 08th November, 2016 and 03rd February, 2017.

After the Re-constitution, the composition of the Committee was as given below :

The composition of the Committee and the attendance details of the members are given below:

Name of the Members	Category	No. of Meetings Attended
Mr. Biju Varkkey	Non- Executive & Independent Directors	1
Ms. Nina Elizabeth Woodard	Non- Executive & Independent Directors	1
Mr. Atal Malviya	Non- Executive & Independent Directors	2
Mr. Gundlapally Ramalinga Reddy	Managing Director	2

Stakeholders' Relationship Committee

In terms of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligation and the Disclosure Requirements) Regulations, 2015, the Board has constituted "Stakeholders' Relationship Committee".

The remit of the Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

The composition of the Committee and the attendance details of the members are given below:

Name of the Members	Category	No. of Meetings Attended
Ms. Geeta Goti	Non- Executive & Independent Directors	-
Ms. Nina Elizabeth Woodard	Non- Executive & Independent Directors	-
Mr. Biju Varkkey	Non- Executive & Independent Directors	-

In terms of the SEBI (Listing Obligation and the Disclosure Requirements) Regulations, 2015 the Board has appointed Ms. Harshita Jain ,Company Secretary as the Compliance Officer of the Company.

Thereafter the Stakeholders' Relationship Committee was Re-constituted through Circular Resolution passed on 24th May, 2016 .

After the Re-constitution, the composition of the Committee was as given below :

Name of the Members	Category	No. of Meetings Attended
Mr. Biju Varkkey	Non- Executive & Independent Directors	-
Ms. Nina Elizabeth Woodard	Non- Executive & Independent Directors	-
Ms. Geeta Goti	Executive Directors	-
Mr. Gundlapally Ramalinga Reddy	Managing Director	-

Ms. Harshita Jain, Company Secretary Resigned from the post of Company Secretary with effect from 10th November, 2016 and Ms. Ramyanka Yadav K was appointed as the new Company Secretaray cum Compliance Officer of the Company with effect from 11th November, 2016.

Thereafter, Ms. Ramyanka Yadav K, Company Secretary Resigned from the post of Company Secretary with effect from 31st January, 2017 and Ms. Megha Chandak was appointed as the new Company Secretaray cum Compliance Officer of the Company with effect from 08th February, 2017.

The details of complaints received and resolved during the Financial Year ended 31st March, 2017 are given in the table below. The complaints relate to non-receipt of annual report, dividend, share transfers, etc.

Particulars	No. of Meetings Attended
Opening as on 1 April, 2016	-
Received during the year	-
Resolved during the year	-
Closing as on 31 March, 2017	-

Finance and Authorization Committee

The Finance Committee of the Board was constituted on August 20, 2015, to consider the proposal for meeting the financing requirements of the Company, to approve of certain routine matters such as opening and closing of Bank Accounts of the Company, to grant Powers of Attorney to the Officers of the Company, to appoint representatives to attend general meetings or through postal ballot on behalf of the Company, etc.

The composition of the Committee and the attendance details of the members are given below:

Name of the Members	Category	No. of Meetings Attended
Mr. Gundlapally Ramalinga Reddy	Managing Director	-
Mr. Gundlapally Praveena Reddy	Whole-time Director	-
Mr. Francis Paul	Key Managerial Personnel	-

SHAREHOLDERS

Disclosures regarding the appointment or re-appointment of Directors

As per the Companies Act, 2013, Two-third of the total number of directors (Excluding Independent Directors) retire by rotation and, if eligible, seek re- appointment at the AGM of shareholders. Ms. Geeta Goti and Ms. Gundlapally Praveena Reddy will retire at the ensuing AGM and being eligible, seek re- appointment. The Board has recommended the re-appointment of the retiring Director.

Further, the Board appointed Mr. Atal Malviya as an Additional Director in the capacity of independent director with effect from 25th May, 2016 and his appointment was regularized in the EGM held on 18th August, 2016.

Management Discussions and Analysis

A detailed report on Management's Discussion and Analysis forms part of this Annual Report.

Communication to the shareholders

We send yearly Annual Report to shareholders through e-mail. The financial results are also posted on the Company's website.

All price sensitive information and matters which are material and relevant to shareholders are intimated to the Stock Exchanges where the securities of the Company are listed.

The Company submits to National Stock Exchange all compliances, disclosures and communications through NSE's NEAPS portal.

The Company's website is a comprehensive reference on Husys's management, vision, mission, policies, corporate governance, sustainability, investor relations, sales network, updates and news. The section on 'Investors FAQs', 'Financial Statements' and 'Corporate Governance' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, Registrars & Transfer Agents and frequently asked questions. Investors can also submit their queries and get feedback through online interactive forms. The section on 'Media' includes all major press reports and releases, awards, campaigns, etc.

Investor grievance and share transfer

We have a Board-level Stakeholders' Relationship Committee to examine and redress security holders' complaints. The status on complaints is reported to the entire Board.

For shares transferred in physical form, the Company provides adequate notice to the seller before registering the transfer of shares. For matters regarding shares transfer in physical form, share certificates, dividends, etc., shareholders should communicate with Karvy Computershare Private Limited, the Company's Registrars and Transfer Agents (RTA) quoting their folio number or DP ID and Client ID.

Share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale/ purchase transaction from the broker, shareholders should approach the depository participant with a request to debit or credit the account for the transaction. The depository participant will immediately arrange to complete the transaction by updating the account. There is no need for a separate communication to the Company to register the share transfer.

Code of conduct

The Company has adopted the Husys Code of Conduct for Executive Directors, Senior Management Personnel and other Executives of the Company. The Company has received confirmations from the Executive Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review. The Code is posted on the website of the Company.

Details of non-compliance

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets.

There has been no instance of non-compliance with any legal requirements, nor have there been any strictures imposed by any stock exchange or SEBI, on any matters relating to the capital market over the year.

Reconciliation of Share Capital Audit

In terms of SEBI (Listing Obligation &Disclosure Requirements), Regulations, 2015, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice with respect to due compliance of share transfer formalities by the Company.

M/s. Savita Jyothi & Associates, Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories") and the total issued and listed capital. The Secretarial Auditor confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with Depositories).

Related Party Transactions

All transactions entered into with related parties as defined under the Companies Act, 2013 during the year were on an arm's length price basis and in the ordinary course of business. These have been approved by the Audit Committee. The Board of Directors have approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at: http://husys.net/pdf/Related_Party_Transactions_Policy_Husys.pdf

In the preparation of financial statements, the Company has followed the Accounting Standards. The significant accounting policies which are applied have been set out in the Notes to Financial Statements. The Board has received disclosures from KMP relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

Vigil Mechanism

The Board at its meeting held on 20th August, 2015, approved the Vigil Mechanism that provides a formal mechanism for all Directors, employees and vendors of the Company to approach the Divisional Chief Executive / Head of Corporate Department/ Head of Corporate Human Resources and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Under the Policy, every Director, employee or vendor of the Company has an assured access to the Chief Executive / Head of Corporate Department/ Head of Corporate Human Resources. Details of the Vigil Mechanism are given in the Directors' Report.

Resolutions passed through postal ballot:

During the year the following resolutions were passed through postal ballot:

Date of Passing of Resolution	Resolution Number	Purpose	Votes in favour of the resolution		Votes against the resolution	
			No. of votes	% to total votes	No. of votes	% to total votes
April 21, 2016	1	Voluntary exit from the Emerge Institutional Trading Platform (ITP) of National Stock Exchange of India Limited.	1,667,535	100%	NIL	NIL

During the conduct of the Postal Ballot, the Company published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable Rules.

The Company had appointed Mr. Puttaparthi Navajyoth, of M/s Puttaparthi Jagannatham & Co., Practicing Company Secretaries, Hyderabad, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The scrutinizer submitted his report to the Chairman, after completion of the scrutiny and the results of voting by posting ballot were then announced by the Chairman/ Authorized offices. The voting results were sent to the Stock Exchanges and displayed on the Company's website. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

INFORMATION TO INVESTORS

Annual General Meeting

Date	11th July, 2017
Time	11:30 AM (IST)
Venue	Husys House, # 1-8-505/E/D/A, Prakash Nagar, Begumpet, Hyderabad – 500 016, Telangana, India.
Financial Year	2016-17

None of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

Designated e-mail address for investor services

In terms of SEBI (LODR) Regulations, 2015, the designated e-mail address for investor complaints is megha.c@husys.com

LITIGATION RELATING TO THE Company

Tax proceedings involving our Company

Our Company has received the Income Tax Notice under Section142(1) of the Income Tac Act, 1961 Dt. 30.01.2017 for the Assessment year 2015-16. Company has attended the hearing on 07.02.2017 and filed required documents on 27.02.2017 and additional required document and clarifications filed 07.04.2016, Awaiting for the Assessment Order.

The Company has received Service Tax Notice Dt. 22.03.2017 – Intimation for conducting the Service Tax Audit for the period of 5 years. The required information and documents has been submitted on 18.05.2017 and 29.05.2017. Awaiting for the scrutiny

Past Cases in which Penalties Have Been Imposed on the Company

There are no cases in the last five years in which penalties have been imposed on the Company.

Share Transfer System

Share certificates, received in physical form, are processed and returned in 10 to 15 days from the date of receipt, subject to the documents being valid and complete. As per the guidelines of the Securities and Exchange Board of India (SEBI), the Company offers the facility of transfer-cum-dematerialisation (demat).

Shares held in the dematerialised form are electronically traded in the depository. The registrar and share transfer agents of the Company periodically receive from the depository the beneficiary holdings to enable them to update their records and to send out corporate communications such as dividend warrants.

Physical shares received for dematerialisation are processed and completed within 15 days from the date of their receipt, provided they are in order. Bad deliveries are immediately returned to the depository participants under advice to the shareholders.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed/ unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Listing on Stock Exchanges

The Company's Ordinary shares are listed on National Stock Exchange of India Limited in India:

Stock Exchanges	ISIN	Stock Symbol
National Stock Exchange of India Limited (NSE)	INE336T01010	HUSYSLTD

Market Information

Market Price Data: High, Low (based on the closing prices) and volume during each month in last financial year National Stock Exchange of India Limited (NSE)

Symbol	Series	Date	High Price	Low Price	Total Traded Quantity	Turnover in Lacs
HUSYSLTD	SM	31-Mar-17	41.10	41.00	6,000	2.46
HUSYSLTD	SM	28-Feb-17	44.00	44.00	2,000	0.88
HUSYSLTD	SM	19-Jan-17	50.00	50.00	2,000	1.00
HUSYSLTD	SM	29-Dec-16	41.80	37.80	8,000	3.19
HUSYSLTD	SM	29-Nov-16	45.45	42.50	6,000	2.62
HUSYSLTD	SM	30-Oct-16	61.70	61.70	2,000	1.23
HUSYSLTD	SM	30-Sep-16	55.80	54.20	6,000	3.30
HUSYSLTD	SM	27-Sep-16	72.90	60.00	62,000	39.77

Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, Half yearly results, etc., to shareholders at their e-mail address previously registered with the DPs/Company/RTAs.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with Karvy Computershare Private Limited, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.

Branches:

Delhi Branch Office:

B-6, Ground Floor, Cabin No-3,Kalkaji, New Delhi – 110 019,
Phone : +911141750222 / +91-97186 91726
Email :reach@husys.com

Mumbai Branch Office:
Level 13 Platinum Techno Park 17 & 18, Sector 30 Vashi, Navi Mumbai, Mumbai – 400 705, Maharashtra, India.
Phone : 022 61818465/ +91-81081 28582
Email : reach@husys.com Fax No : 022 6121 4952

Bangalore Branch Office:
No.1, Ground Floor, 3rd Main 2nd 'D' Cross, 2nd Stage Domlur, Bengaluru, near Domlur Club, Karnataka 560071, India.
Phone : +91-99643 12637
Email :reach@husys.com

Chennai Branch Office:
1A, GRN Navaratna Apartments, M-11, East Avenue Road, Korattur, Near ICICI Bank, TNHB Colony, TVS Industries, Korattur, Chennai, Tamil Nadu 600080, India.
Phone : +91-98415 88199
Email :reach@husys.com

Gurgoan Branch Office:
A – 1104, Unitech Arcadia, South City – 2, Sector – 49, Gurgaon, Haryana – 122018, India.
Phone : +91-98991 07794
Email :kamal.s@husys.com

Hyderabad Branch Office:
Husys House, # 1-8-505/E/D/A, Prakash Nagar, Begumpet, Hyderabad – 500 016, Telangana, India.
Phone : 040-6519 5632 / +91-99480 78937
Email :reach@husys.com

Investor Contact:

Husys Consulting Limited

Registered Office:
Husys House, # 1-8-505/E/D/A, Prakash Nagar, Begumpet, Hyderabad – 500 016. Telangana, India.
Phone : 040-6519 5632 / 99480 78937
Email :corp.affairs@husys.com
Website: www.husys.com

Corporate Identity Number - L74140TG2005PLC047222

Name, designation & address of Compliance Officer:
Ms. Megha Chandak, Company Secretary
Husys House, # 1-8-505/E/D/A, Prakash Nagar, Begumpet, Hyderabad – 500 016. Telangana, India.
Phone.: +91-95535 00085
Email: megha.c@husys.com

Name, designation & address of Investor Relations Officer:
Mr. Francis Paul, Chief Financial Officer
Husys House, # 1-8-505/E/D/A, Prakash Nagar, Begumpet,
Hyderabad – 500 016. Telangana, India.
Tel.: 9553500085
Email: paul.f@husys.com

Registrars and Transfer Agents:
Karvy Computershare Private Limited
Karvy Selenium, Tower- B,
Plot No 31 & 32., Financial district, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana 500032
Website: www.karvycomputershare.com

Stock Exchanges:
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G Block Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.
Tel.: (022) 2659 8100;
Fax: (022) 2659 8120
Website: www.nseindia.com

Depositories

National Securities Depository Limited
Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai-400 013.
Phone.: (022) 2499 4200;
Fax: (022) 2497 6351
Email: info@nsdl.co.in
Website: www.nsdl.co.in

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai-400 001.
Phone.: (022) 2272 3333;
Toll free: 1800-200-5533
Fax: (022) 2272 3199
Email: helpdesk@cdslindia.com
Website: www.cdslindia.com

BUSINESS RESPONSIBILITY REPORT

Introduction

Husys Consulting excels for Common Good. Its unique business model ensures its legacy of responsible business and keeping community as the ultimate purpose of its existence. Over the decades, we have remained focused on the efficient deployment of resources – people, processes and eco-efficient and safe service products. The above purposes are articulated in the twin pillars of our Vision – Value Creation and Corporate Citizenship. This ensures that we are balanced in our engagements with multiple stakeholders, creating value with and for all.

About The Report

At a time and age when enterprises are increasingly seen as critical components of the social system, they are accountable not merely to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder. Hence, adoption of responsible business practices in the interest of the social set –up and the environment are as vital as their financial and operational performance. This is all the more relevant for listed entities which, considering the fact that they have accessed funds from the public, have an element of public interest involved, and are obligated to make exhaustive continuous disclosures on a regular basis. Ministry of Corporate Affairs, Government of India, in July 2011, came out with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business'. These guidelines contain comprehensive principles to be adopted by companies as part of their business practices and a structured business responsibility reporting format requiring certain specified disclosures, demonstrating the steps taken by companies to implement the said principles.

As per clause (f) of sub regulation (2) of regulation 34 of Listing Regulations, the annual report shall contain a business responsibility report describing the initiatives taken by the listed entity from an environmental, social and governance perspective.

About the Principles

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

Principle 1	P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	P3	Businesses should promote the wellbeing of all employees
Principle 4	P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5	P5	Businesses should respect and promote human rights
Principle 6	P6	Business should respect, protect, and make efforts to restore the environment
Principle 7	P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	P8	Businesses should support inclusive growth and equitable development
Principle 9	P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN): L74140TG2005PLC047222
2. Name of the Company: HUSYS CONSULTING LIMITED
3. Registered address: Husys House, 1-8-505/E/D/A, Prakash Nagar, Begumpet, Hyderabad, Telangana- 500016.
4. Website: www.husys.com
5. E-mail id: corp.affairs@husys.com

6. Financial Year reported: 2016-2017
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Human resources provision and management of human resources functions National Industrial Classification (NIC) Code: 783
8. List three key products/services that the Company manufactures/provides (as in balance sheet):
    a) HR Operations
    b) HR Consulting
    c) HR Technology
9. Total number of locations where business activity is undertaken by the Company
    a) Number of International Locations: USA & UK
    b) Number of National Locations: Our Registered and Corporate Office is located in Hyderabad. Apart from this we have branch offices in Mumbai, Hyderabad, Bangalore, Delhi, Chennai and Gurgaon.
10. Markets served by the Company – Local/State/National/International The main markets for Husys HR Services are USA, UK and India.

SECTION B: FINANCIAL DETAILS OF THE Company

1. Paid up Capital (Rs): 22,812,500/-
2. Total Turnover (Rs): 145,480,317/-
3. Total Profit after taxes (Rs): 10,005,062/-
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): NIL (Not applicable)
5. List of activities in which expenditure in 4 above has been incurred:
    a) Salaries
    b) Client Manpower Charges
    c) Travel and Conveyance
    d) Other Expenses

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?
   No. The Company do not have any subsidiary.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)
   N.A.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
   NIL.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR
    a) Details of the Director/Director responsible for implementation of the BR policy/policies
        a. DIN Number: 00559079
        b. Name: Mr. Gundlapally Ramalinga Reddy
        c. Designation: Managing Director
        d. Telephone Number: +91-98480 28582
        e. Email: gr@husys.com

a) Details of the BR head

S.No.	Particulars	Details
1	DIN Number (if applicable)	-
2	Name	Mr. Francis Paul
3	Designation	Chief Financial Officer
4	Telephone number	9553500081
5	e-mail id	paul.f@husys.com

2. Principle-wise (as per NVGs) BR Policy/policies

b) Details of compliance (Reply in Y/N)

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	NA	Y	Y	N	N	Y	N	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	NA	Y	Y	N	N	Y	N	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	NA	Y	Y	N	N	Y	N	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	NA	Y	Y	N	N	Y	N	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	NA	Y	Y	N	N	Y	N	Y
6	Indicate the link for the policy to be viewed online?	https://husys.com/corporate-governance/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	NA	Y	Y	N	N	Y	N	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	NA	Y	Y	N	N	Y	N	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	NA	Y	Y	N	N	Y	N	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	NA	Y	Y	N	N	Y	N	Y

If answer to the question at serial number 1 against any principle, is 'No', please explain why:
(Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles					Y	Y		Y	
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year					Y	Y		Y	
6.	Any other reason (please specify)									

3. Governance related to BR

c) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year :
Annually

d) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
Yes. https://husys.com/business-responsibilities-2016

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company: Yes.
2. How many stakeholder complaints have been received in the past financial year: NIL

Principle 3

1. Please indicate the Total number of employees: 167
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 109
3. Please indicate the Number of permanent women employees: 30
4. Please indicate the Number of permanent employees with disabilities: NIL
5. Do you have an employee association that is recognized by management? NO
6. What percentage of your permanent employees is members of this recognized employee association: N.A
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

a) Permanent Employees: 100%
b) Permanent Women Employees: 100%
c) Casual/Temporary/Contractual Employees: 100%
d) Employees with Disabilities Nil

Principle 4

1. Has the Company mapped its internal and external stakeholders? Yes

Principle 7

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
   a) Bangalore Chamber of Commerce and Industry
   b) Career Star Group
   c) FAPCCI
   d) IT Andhra Pradesh

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good: Yes; Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles etc.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?
   NIL

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)
   NA

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.
   NO.

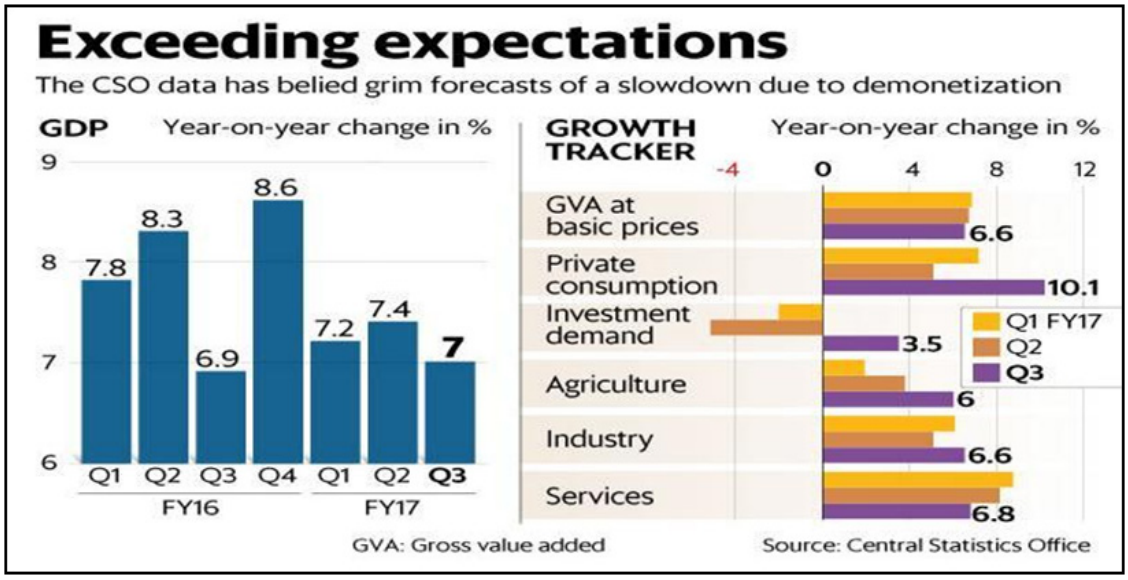
4. Did your Company carry out any consumer survey/ consumer satisfaction trends?
   Yes

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OUR INDUSTRY

Overview of India Economy

India, a South Asian nation, is the seventh-largest country by area, the second-most populous country with over 1.34 billion people, and the most populous democracy in the world. India is the seventh largest economy in the world in terms of purchasing power parity (PPP). Gross Domestic GDP of the country for the year 2016-17 is likely to attain a level of 121.65 Lakh Crore INR, with growth rate of 7.1 percent over the GDP for the year 2015-16 of 113.58 Lakh Crore INR. Nominal GDP or GDP at current prices in the year 2016-17 is projected at Rs. 152.51 l Lakh Crore, with growth rate of 11.5 percent against Rs. 136.75 Lakh Crore for 2015-16. Considering the April 2016-March 2017 period, the economy advanced 7.1 percent, in line with the official estimate but below 8 percent in the previous year. India is set to become the world's fastest-growing m a j o r economy by 2017 next to China, the International Monetary Fund (IMF) said in its recent latest forecast. The services sector is projected to grow at 8.8 per cent in 2016-17, similar to 2015-16, whereas the growth rate for the agriculture and allied sectors is estimated to be 4.1 percent for 2016-17. Data released by the Central Statistics Office (CSO) retained its projection that the economy will grow 7.1% in 2016-17, slowing from 7.6% in the previous financial year.

source: Central Statistics Office



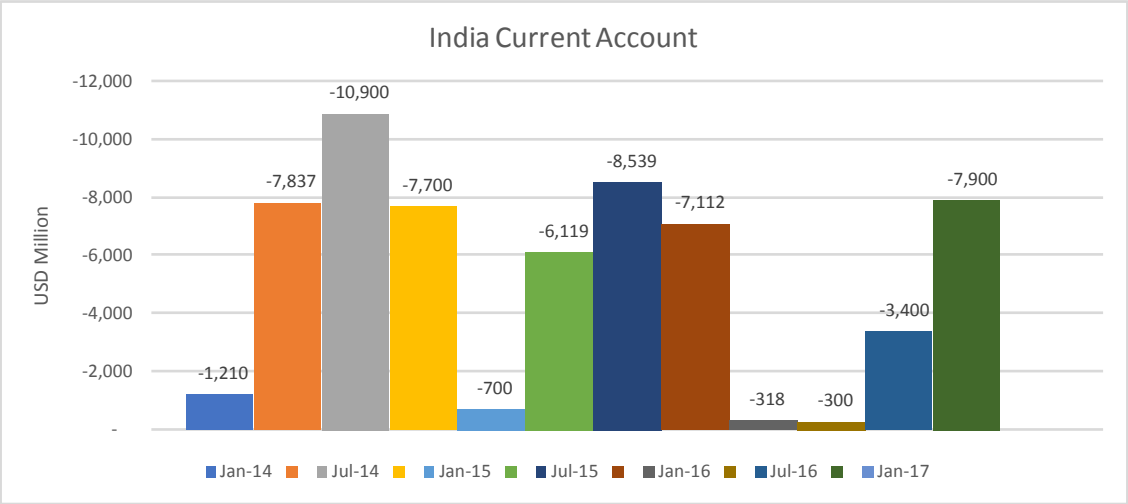
Source: MOSPI, CSO, Base year 2016-17

As per the advance estimates of Gross Domestic Product (GDP) released by the Central Statistics Office (CSO) on March 1, 2017.

Current Account Deficit

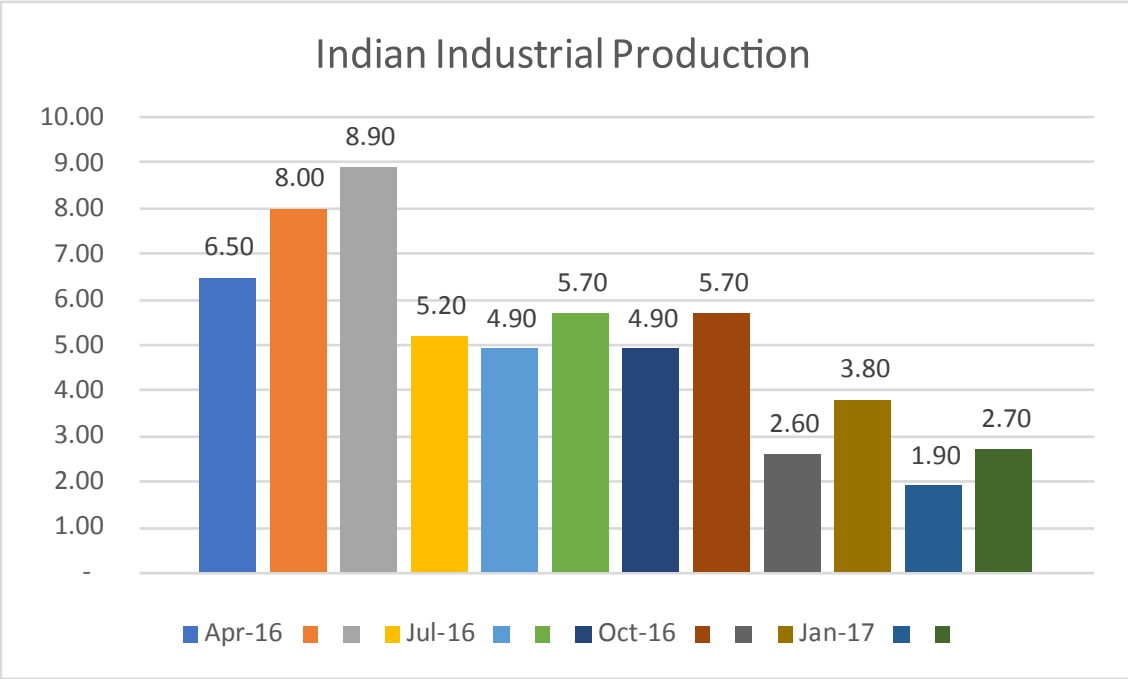
India's current account deficit is expected to be around 1.3 percent of GDP in 2017 as against a deficit of 0.8 percent in 2016. In 2014-15, current account deficit stood at $27.9 billion, or 1.4% of GDP. In 2013-14 it was at $32.4 billion (1.7% of GDP) and in 2012-13 at $88.1 billion (4.7 % of GDP). India recorded a current account deficit of USD 7.9 billion or 1.4 percent of the GDP in the last three months of 2016, higher than a USD 7.1 billion gap a year earlier. The services surplus decreased to USD 17.6 billion (from USD 18 billion a year earlier), mainly due to a fall in earnings from software, financial services and charges for intellectual property rights. The secondary income surplus also decreased to USD 13.9 billion from USD 15.3 billion. Private transfer receipts, mainly remittances by Indians employed overseas, amounted to USD 15.2 billion, down 3.8 percent from a year earlier. In contrast, the goods deficit narrowed to USD 33.3 billion from USD 34 billion and the primary income shortfall fell to USD 6.2 billion from USD 6.4 billion. In the previous quarter, the

current account deficit was lower at USD 3.4 billion. Current Account in India averaged -1,784.44 USD Million from 1949 until 2016, reaching an all-time high of 7,360 USD Million in the first quarter of 2004 and a record low of -31,857.20 USD Million in the fourth quarter of 2012.



Index of Industrial Production

Industrial production in India increased by 2.7 percent year-on-year in March 2017, following an upwardly revised 1.9 percent rise in the previous month and beating market expectations of a 1.5 percent gain. Output rose further for both mining (9.7 percent from 4.6 percent in February) and electricity (6.2 percent from 1.2 percent) while manufacturing production grew at a slower pace (1.2 percent from 1.4 percent). In 2016/17 fiscal year, industrial output expanded by 5 percent. Industrial Production in India averaged 6.64 percent from 1994 until 2017, reaching an all-time high of 20 percent in November of 2006 and a record low of -7.20 percent in February of 2009.



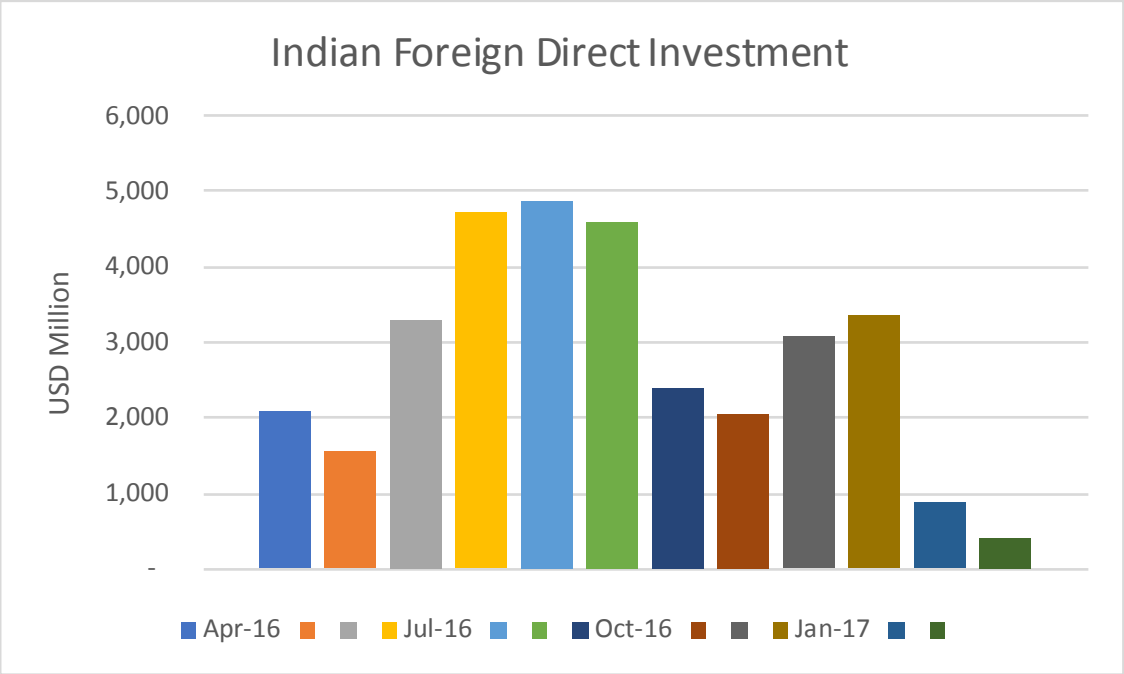
Source: tradingeconomics.com

Foreign Direct Investments

Apart from being a critical driver of economic growth, foreign direct investment (FDI) is a major source of non-debt financial resource for the economic development of India. Foreign companies invest in India to take advantage of cheaper

wages, special investment privileges like tax exemptions, etc. For a country where foreign investments are being made, it also means achieving technical know-how and generation of employment. The continuous inflow of FDI in India, which is now allowed across several industries, clearly shows the faith that overseas investors have in the country's economy.

India's Current Account Deficit (CAD) jumped to a four-quarter high of 1.4% of GDP in the December quarter from 0.6% of GDP in the September quarter, as trade deficit widened. In the same quarter a year ago, the country recorded a CAD of $7.1 billion, or 1.4% of GDP.



Source: tradingeconomics.com

Key Economic Variables

Budget Financials 2016-17				
	FY 2015-16 (Actuals) (Billion INR)	FY 2016-17 (Budget) (Billion INR)	FY 2016-17 (Revised) (Billion INR)	FY 2017-18 (Budget) (Billion INR)
Revenue Receipts	11,950.25	13,770.22	14,235.62	15,157.71
Capital Receipts	5,957.48	6,010.38	5,908.45	6,309.64
Total receipts (1+2)	17,907.73	19,780.6	20,144.07	21,467.35
Scheme Expenditure	7,251.14	8,019.66	8,698.47	9,450.78
Expenditure on Other than Schemes	10,656.69	11,760.94	11,445.60	12,016.57
Total Expenditure (4+5)	17,907.83	19,780.6	20,144.07	21,467.35
Revenue account	15,377.61	17,310.37	17,345.60	18,369.34
Revenue Receipts	11,950.25	13,770.22	14,235.62	15,157.71
Revenue Deficit (7-8)	3,427.36	3,540.15	3,109.98	3,211.63
As a percentage of GDP	2.50%	2.3%	2.1%	1.9%
Fiscal Deficit [6-(1+recoveries of loans + other receipts)]	5,327.91	5,339.04	5,342.74	5,465.32
As a percentage of GDP	3.9%	3.5%	3.2%	3.2%
Primary Deficit (10-interest payments)	911.32	412.34	512.05	234.54
As a percentage of GDP	0.7%	0.3%	0.3%	1.0%

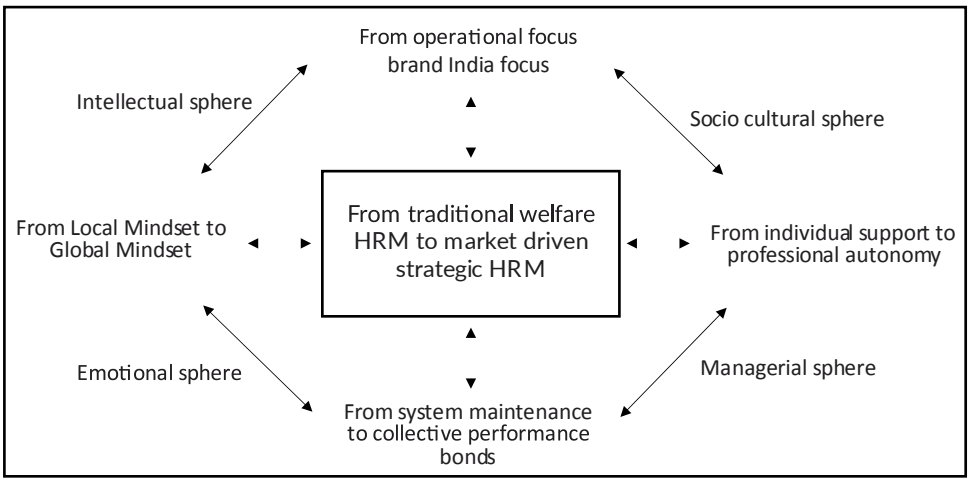
Source: https://www.pwc.in

Human Resource Industry

One of the noteworthy features of the Indian workplace is demographic uniqueness. It is estimated that both China and India will have a population of 1.45 billion people by 2030. However, India will have a larger workforce than China. Indeed, it is likely India will have 986 million people of working age in 2030, which will probably be about 300 million more than in 2007. Moreover, by 2050, it is expected India will have 230 million more workers than China and about 500 million more than the United States of America (U.S.). It may be noted that half of India's current population of 1.1 billion people are under of 25 years of age (Chatterjee 2006). While this fact is a demographic dividend for the economy, it is also a danger sign for the country's ability to create new jobs at an unprecedented rate. As has been pointed out by Meredith (2007).

When India's young demographic b u b b l e begins to reach working age, India will need far more jobs than currently exist to keep living standards from declining. India today doesn't have enough good jobs for its existing workers, much less for millions of new ones. If it cannot better educate its children and create jobs for then once they reach working age, India faces a population time bomb: The nation will grow poorer and not richer, with hundreds of millions of people stuck in poverty. With the retirement age being 55 to 58 years of age in most public-sector organizations, Indian workplaces are dominated by youth. Increasing the retirement age in critical areas like universities, schools, hospitals, research institutions and public service is a topic of considerable current debate and agenda of political parties.

The divergent view, that each society has a unique set of national nuances, which guide particular managerial beliefs and actions, is being challenged in Indian society. An emerging dominant perspective is the influence of globalization on technological advancements, business management, education and communication infrastructures is leading to a converging effect on managerial mindsets and business behaviors. And when India embraced liberalization and economic reform in the early 1990s, dramatic changes were set in motion in terms of corporate mindsets and HRM practices as a result of global imperatives and acCompanying changes in societal priorities. Indeed, the onset of a burgeoning competitive service sector compelled a demographic shift in worker educational status and heightened the demand for job relevant skills as well as regional diversity. Expectedly, there has been a marked shift towards valuing human resources (HR) in Indian organizations' as they become increasingly strategy driven as opposed to the culture of the status quo. Accordingly, competitive advantage in industries like software services, pharmaceuticals and bio-technology (where India is seeking to assert global dominance), the significance of HRs is being emphasized. These relativities were demonstrated in a recent study of three global Indian companies with (235 managers) when evidence was presented that positively linked the HRM practices with organizational performance (Khandekar & Sharma 2005). In spite of this trend of convergence, a deep sense of locality exists creating more robust 'cross vergence' in the conceptual as well as practical domain.



The above figure presents the key drivers for contemporary Indian HRM trends. In above figures there are four external spheres of intervention for HRM professionals and these spheres are integrated in a complex array within organizational settings. The intellectual sphere, which emphasis the mindset transaction in work organizations, has been significantly impacted by the forces of globalization. Indeed, Chatterjee and Pearson (2000) argued, with supporting empirical evidence from 421 senior level Indian managers, that many of the traditional Indian values (respect for seniority, status

and group affiliation) have been complemented by newer areas of attention that are more usually linked to globalization, such as work quality, customer service and innovation. The most important work related attribute of the study was the opportunity to learn new things at work. Such cross verging trends need to be understood more widely as practitioners face a new reality of human resource development of post industrial economic organizations.

The other three spheres of the above Figure, namely the emotional, the socio-cultural and the managerial domains are undergoing, similar profound changes. For instance, the socio cultural sphere confronts the dialects of the national macro level reform agenda as well as the challenge of innovating by addressing the hygiene and motivational features of the work place. Consequently, this sphere, which is underpinned by the anchors of Sradha and Sneha, has the opportunity to leverage work setting creativity in dimensions of autonomy, empowerment, multiskilling and various types of job design. And the emotional sphere, which focuses on creativity and innovation to encapsulate the notions of workplace commitment and collaboration as well as favorable teamwork, brings desirable behavioral elements of transparency and integrity into organisational procedures and practices. The managerial sphere provides the mechanisms for shifting mindsets, for in Indian organisations HRM is viewed to be closely aligned with managerial technical competency. Thus, understanding of the relativity of HRM to strategic intended organisational performance is less well articulated in Indian firms. The current emphasis of re configuring cadres (voluntary and non-voluntary redundancy schemes), downsizing, delayering and similar arrangements will become less relevant as holistic perspectives gain ground. A hallmark of future Indian workplaces is likely to be a dominant emphasis on managerial training, structural redesign and reframing of institutional architectures to achieve enterprise excellence. Thus, a primary role of Indian managers will be to forge new employment and industrial relationships through purposeful HRM policies and practices.

There has been a dramatic shift in the expectations of employees in the organised and globally linked sectors of the economy. An unprecedented rise in the disposable income coupled with a declining dependency ratio, has led to young professionals becoming extremely mobile. The problem is critically evident in the off shoring industry where the average retention period of an employee is considered to be around six to eight months. And the retention of senior level executives is an additional challenge. The attrition rates are highest in information technology (IT) (30-35%), business process outsourcing (BPO) (35-40%), insurance (35-40%), retail and fast moving consumer goods (FMCG) (20-30%), and manufacturing and engineering (10-15%) (Chatterjee 2006).

Over the past decade, there has been a sea change in the area of Indian technical services and the associated HRM practices of recruitment and retention. While the higher education system in the country has remained overwhelming poor in infrastructure and weak in becoming revitalized to grapple with the global imperatives, there has been a mushrooming of private educational institutions. The recruitment problem is further deepened by the emergence of a new culture of 'job hopping' amongst employers who can demonstrate their world class competencies. This phenomenon of turnover has seen a chain reaction in entr y level salaries, and an increase in graduates has created significant social and economic disruption to the Indian labour market. A likely scenario from this rampant activity is that the Indian HR scene will be negatively impacted in the next decade unless the deregulation and autonomy of the higher education sectors is initiated somewhat immediately. An example of this widening gap between the university system and market need has become a serious impediment in several new industries in India. For an example, it has been reported in the popular press (Time 2007), "...out of 13 million people who applied to work at IT Company Infosys last year, just 2% were qualified indicating a sign of stress in the university system that graduates 2.5 million a year."

Attrition is highest in traditional customer service jobs, where young people find themselves having to spend all night on the phone, often with irate callers. In other areas such as claims processing or accounting, the turnover rate is much lower. More worrying for many companies is the 'merry go round' in supervising and management jobs, as new centers are only too willing to pay higher salaries to hijack experienced staff.

The World Competitiveness Report rated India's human resource capabilities as being comparatively weaker than most Asian nations. The recognition of world class human resource capability as being pivotal to global success has changed Indian HRM cultures in recent years. While the historical and traditional roots remain deeply embedded in the subjective world of managers, emphasis on objective global concepts and practices are becoming more common. Three very different perspectives in HRM are evident. Firstly, Indian firms with a global outlook; secondly, global firms seeking to

adapt to the Indian context; and thirdly, the HRM practice in public sectors undertakings (PSV'S). As the Indian economy becomes more globally linked, all three perspectives will move increasingly towards a cross verging strengthening. Interestingly, within the national context, India itself is not a homogenous entity. Regional variations in terms of industry size, provincial business culture, and political issues play very relevant roles. The nature of hierarchy, status, authority, responsibility and similar other concepts var y widely across the nations synerging system maintenance. Indeed, organisational performance and personal success are critical in the new era.

source: https://rphrm.curtin.edu.au/2007/issue2/india.html

BUSINESS OVERVIEW

Our Company was incorporated as Husys Consulting Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated August 24, 2005 in Hyderabad, Subsequently, our Company was converted into public limited Company pursuant to which the name of our Company was changed to "Husys Consulting Limited" vide fresh certificate of incorporation dated August 06, 2015. Our Company got listed on Emerge Institutional Trading Platform of National Stock Exchange of India Limited (NSE) on August 21, 2015. Further, our Company has made an application for de-listing from on Emerge Institutional Trading Platform of NSE vide letter dated April 25, 2016.

Husys has been in the forefront of innovation for HR Industry in India. With many first of its kind innovation we carved a niche for ourselves. We are the first one to bring HR Function Management for Small & Medium Industries when the whole world did not recognise the significance for a great economy. We are ahead in our learning curve and can use it to leapjump to capture the opportunity that is offering at this time. We foresee a great future with the thrust of Startup and Standup India initiatives and also the Make in India programs are a boon for our Company. Demonitisation has added fuel to the growth prospects of your Company to multiply our opprotunities.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the belief of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Though macro indicators hint at a possible slowdown across the major developed economies in the ensuing year, the global technology outlook reflects continued optimism. Over the next four-to-five years, growth rates in Human Resources related spends is expected to outpace GDP growth across the world. The outlook for Indian Human Resources Industry remains bright. Key factors underlying this optimism include the growing impact of technology-led innovation, leading the increasing demand for global Human Resourcing and the gradually evolving socio-political attitudes. The value proposition of the Indian Human Resources industry is largely supported by its abundant talent that is expected to support diverse operations, cost advantage, emphasis on quality, Information security and rapid growth in key business infrastructure. The sector may also face its share of challenges. Clearly, global sourcing is a "win-win" proposition; as has been emphatically demonstrated in the significant gains achieved by developed, as well as developing countries that have participated in the growth of Human Resources Technology. However, equitable and inclusive sharing of these gains remains a challenge and the international debate on "offshore outsourcing" needs to evolve significantly from clashing unilateral views (i.e., value creation vs. job-loss) to a deeper appreciation of its imperatives and benefits. The Human Resources Industry thrives under a dynamically changing and highly competitive business environment. Your Company too faces several business risks, of which some prominent ones are discussed hereunder alongside the risk mitigation approach followed by the Company:

Concentration risks:

Your Company has taken significant steps to ensure that it does not become too dependent on a few clients or any particular geography. However, considerable efforts are being made to generate business from new geographies and clients. Our Franchise model would also help us to reduce the concentration risk by having more and more clients added to our portfolio.

M&A execution risks:
Your Company has chosen organic and inorganic routes to grow exponentially in future years. During the course, the Company may be exposed to risks such as, increase in cost on account of staffing/advisory fees, due diligence lapses and practical challenges in integration. Your Company follows a strategic approach in pursuance of its M & A activities and many of the risks are mitigated by restricting the choice of target companies by applying certain rigorous selection criteria as also by proper resourcing of the integration efforts. The Company also uses a team of experts in carrying out the due diligence, thereby reducing the risk of lapses.

Availability of skilled personnel:
India is a major destination for Human Resources Technology for Services and Human Resource outsourcing. This has resulted in the growth of Indian companies, multinational companies who have set up operations in India and the captive organizations of many International companies. Growth in the Retail, Telecom and Financial Services sectors in India is also significant. All the above organisations are hiring from the same pool of colleges, resulting in a supply crunch. To address the Availability Risk, the Company has expanded its sourcing base to engineering colleges in Tier II and Tier III cities. To address this, the Company has enhanced its academic interaction programs with colleges across the country. Initiatives such as Faculty Development Programs, participating in seminars and lectures to students in colleges, student internships and setting up laboratories in various colleges have been enhanced. Rising attrition is a major risk in the industry. The Company is addressing this through higher investments in building the competencies of its employees. The Company also addresses employee aspirations through well planned career management and job rotation and by giving the employees exposure to multiple technologies, domains and geographies. The Company also strives to create a conducive environment for work life balance. The Company has created employee friendly policies which enhance retention of employees. As a result of all these initiatives, the Company has the lowest attrition rate in the industry. Wage Inflation is the other factor which has an impact on the industry. The Company has a very strong performance management system and a systematic process for annual increments which rewards performance. Your Company effort to build the Franchisee network is to ensure that we bring the complimenting skills and derisk from the availability.

Competition-related risk:
Indian Human Resources services market remains a very competitive space. The Company is facing competition from large Indian vendors and global vendors who are increasing their India presence by setting up offshore delivery centers. There are various other forms of competition like the Individual consultants in India. However, with our business model to integrate the consutling partner network would help us to streamline the HR business which is mostly unorganised in that level.

New technologies and business models continue to emerge:
The Company operates in the Human Resources Services Industry where fast and dramatic changes in technology, business models and intense competition are a fact of life. The Company continues to engage in newer business models in order to address changing requirements. This results in alliances, strategic investments and joint ventures. The Company also invests in creating new competencies in emerging areas. The Company is focused on innovation. Innovation can take many forms, but must result in better productivity of the Company's employees through continuous improvement in processes, systems, methodologies and capabilities, resulting in higher revenues and profits per employee. Husys focus on achieving improvements based on innovation has been influenced by the need to harness the implicit knowledge of the people within the organization for continuous improvements. This is practiced by adopting 'derived' innovation that seeks continuous improvement in every area and by 'platform' innovation, whereby multiple capability and skill teams engage to develop innovative ideas.

Industry Dissonance Risk:
The Company operates in the fast changing Human Resources Technology space where changes in technology can make today's market leaders into market laggards and changes in customer and market needs can result in a mismatch between customer/market requirements and the Company's offerings.

The Company adopts the following approaches to address these risks:

i) **Growth engines:** The Company systematically focuses on addressing emerging buyer trends and needs by developing technology solutions swhich are cutting edge with cost effective cloud applications.

ii) **Deep customer relationships:** The Company has a deep understanding of its customers' needs and enhances this by engaging systematically with customers on periodic review of customer needs and fulfillment of the same for prospective periods. The sales organization is supported by a team of domain experts who study emerging domain and market trends and shape solutions which address the business needs of our potential and existing customers. This continuous engagement ensures the aligning of our business to meet increasing needs of the customer. These efforts help to reduce buyer/industry dissonance related risks.

Exchange rate risk:

The functional currencies for the Company and its subsidiaries' operations are the respective currencies of the countries in which they operate. A portion of your Company's revenues is derived from foreign exchange; any fluctuation in this could have an impact on the Company's performance. Your Company actively books foreign exchange forward covers/ derivative options to hedge against foreign currency fluctuations related to its bills receivables and anticipated realisations from projected revenues.

Geo-political risks:

The ability of Indian Human Resources services companies to secure offshore projects from client organisations abroad is often subject to threat perceptions as regards the Indian subcontinent. Current civil situations in neighboring countries of India may have negative implications for the operations of the Company. To mitigate these risks and to ensure continued delivery of services to clients irrespective of any geo-political disturbances, the Company has been taking appropriate measures in respect of disaster recovery and business continuity in different locations. Our spread of clients also from various parts of the world to balance the steady growth.

Contractual compliance risks:

Litigations regarding adherence to deliverables and services level agreements are a challenge in knowledge dominated Human Resources industry. In addition, there are general corporate legal risks. The management has chartered out a review and documentation process for contracts. This was further improved the contract clearance process to include multi-dimensional contract vetting process. The contract management team includes the legal, commercial and risk teams apart from external consultants. Operational teams have been trained on compliance related issues is that they ensure adherence to all contractual commitments.

Loan Funds:

In high risk assets such as equities and low liquidity assets like real estate. The primary area of risk for the Company's market exposures are related to the interest rate risk on its investment securities. To mitigate interest rate risk, all surplus funds are invested in appropriate avenues. All investment decisions are driven by certain guiding principles like, safety of investments, liquidity and returns implications for the operations of the Company. To mitigate these risks and to ensure continued delivery of services to clients irrespective of any geo-political disturbances, the Company has been taking appropriate measures in respect of disaster recovery and business continual.

Margin-pressure:

As international players expand their delivery capability from India, their cost patterns are undergoing change. At the same time, the intensified competition for human resources in India is resulting in higher wage levels. Due to the above, margins are under pressure. The Company is using a multi-pronged approach to address the margin pressures it faces. In order to mitigate this risk, the Company is focusing on creating greater value for its customers and hence for itself. Three different strategies have been used by the Company in this effort.

i) Increasing Margins : The Company is able to build the sustainable global business with higher margins.

ii) Focusing on Rate Increases: The Company is looking at rate increases for newer business and also for existing businesses which are up for renewal. The Company's rates are competitive and in line with client expectations. In view of its track record, the Company is seen as a credible global relationships , with end to end servicing capability.

iii) Focusing on Cost Management**:** The Company is monitoring and steadily bringing down its operating expenses as a percentage of revenue by ensuring that growth in these expenses is minimized in line with Company requirements. Our large accounts are getting larger which helps us drive down sales costs through cross selling. The trends in repeat business as a percentage of total business are very positive indicating the satisfaction and value creation the Company is achieving for its customers.

Our business is subjected to various risks and uncertainties, and "Risk Factor" Our results of operations and financial conditions are affected by numerous factors including the following:

- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign
- countries, which affect national & international finance.
- Company's results of operations and financial performance;
- Performance of Company's competitors,
- Trained manpower.
- Significant developments in India's economic and fiscal policies;
- Significant developments in India's environmental regulations.
- Volatility in the Indian and global capital market;

DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for years ended March 31st, 2017 and March 31st, 2016.

Overview of Revenue & Expenditure

Revenues

Our Company's revenue is primarily generated from Sales of services: -

- Domestic Sale
- Export Sale.

(Amount in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Income		
Revenue from Operations	1,454.80	1,241.35
Increase/Decrease in %	17.19%	34.18%
Other Income	3.45	3.53
Increase/Decrease in %	-2.27%	320.24%
Total Revenue	1,458.25	1,244.88

The following is the Income mix in terms of value of total income of our Company for different services.

(Amount in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Revenue from Operation		
Sales of Services-		
Domestic Services	202.15	156.98
Export Services	1,252.65	1,084.37
Total Revenue from Operation	1,454.80	1,241.35

The following is the Income mix in terms of percentage of total income of our Company for different services.

Particulars	As at March 31, 2017	As at March 31, 2016
Revenue from Operation		
Sales of Services-		
Domestic Services	13.90%	12.65%
Export Services	86.10%	87.35%
Total Revenue from Operation	100.00%	100.00%

Other Income

Other operating revenue consists of Interest and miscellaneous income.

(Amount in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest	3.35	-
Miscellaneous income	0.10	3.53
Total Other Income	3.45	3.53

The following is the other income mix in terms of percentage of other income of our Company for other incomes:

Particulars	As at March 31, 2017	As at March 31, 2016
Interest	97.10%	0.00%
Miscellaneous income	2.90%	100.00%
Total Other Income	100.00%	100.00%

Trade Receivables

The following table presents the details of our Company's trade receivables:

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured and Considered Good		
Outstanding for a period not exceeding six months	271.71	26.31
As a % of total Trade receivables	81.06%	46.01%
Outstanding for a period exceeding six months	63.49	30.87
As a % of total Trade receivables	18.94%	53.99%
Less: Provision for doubtful debts	NIL	Nil
As a % of total Trade receivables	100.00%	100.00%
Total –Trade receivables	335.20	57.18
Avg. Trade receivables	196.19	55.94
Trade receivables Turnover Ratio	7.42	21.71
Average Collection Period (in days)	49.19	16.81

Expenditure

Our Company's operating expenditure consists of following: -

- Employees benefit expenses, Finance cost, Depreciation and other expenses.

RESULTS OF OPERATIONS

Statement of profits and losses

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue.

(Amount in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
INCOME		
Revenue from Operations		
Revenue	1,454.80	1,241.35
Increase/Decrease in %	17.19%	34.18%
Other Income	3.45	3.53
Increase/Decrease in %	-2.27%	320.24%
Total Revenue	1,458.25	1,244.88
EXPENDITURE		
Employee benefit expenses	1,175.63	1,042.66
As a % of Total Revenue	80.62%	83.76%
Finance costs	14.76	14.22
As a % of Total Revenue	1.01%	1.14%
Depreciation and amortization expense	23.26	29.15
As a % of Total Revenue	1.60%	2.34%
Other expenses	99.81	103.30
As a % of Total Revenue	6.84%	8.30%
Total Expenditure	1,313.46	1,189.33
As a % of Total Revenue	90.07%	95.54%
Profit before prior period items	144.79	55.55
Exceptional Items	0.00	0.00
Depreciation written back	0.00	0.00
Profit on sale of Assets	0.00	0.00
Extraordinary Items	0.00	0.00
Profit before tax	144.79	55.55
PBT Margin	9.93%	4.46%
Tax expense :		
(i) Current tax Provision	42.59	22.46
(ii) Deferred Tax Provision/(Assets)	2.15	(5.30)
Total	44.74	17.16
As a % of Total Revenue	3.07%	1.38%
Profit for the year	100.05	38.38
PAT Margin	6.86%	3.08%

FISCAL YEAR ENDED MARCH 31, 2017 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2016

Income

Total revenue increased to Rs. 1,458.25 Lacs or 17.13% from Rs. 1,244.88 lacs in the fiscal year ended March 31, 2017. The revenue has increased due to increase in sales of export services from Company.

Expenditure
Total Expenditure increased by Rs. 124.12 Lacs, or 10.44%, from Rs. 1,189.34 Lacs in the fiscal year ended March 31, 2016 to Rs. 1,313.46 Lacs in the fiscal year ended March 31, 2017. Overall expenditure has increased mainly due to increase in Employee Benefits Expenses, finance costs, other costs which are directly linked to our operations.

Finance Costs
Finance Costs in terms of value and percentage increased by Rs. 0.54 Lacs and 3.79%, from Rs. 14.22 Lacs in the fiscal year ended March 31, 2016 to Rs. 14.76 Lacs in the fiscal year ended March 31, 2017. Overall finance cost has increased mainly due to increase in Bank Interest on overdraft utilization facility.

Employee Benefit Expenses
Employee benefit expenses in terms of value and percentage increased by Rs. 132.97 Lacs and 12.75% from Rs. 1042.66 Lacs in the fiscal year ended March 31, 2016 to Rs. 1,175.63 Lacs in the fiscal year ended March 31, 2017. Overall employee cost has increased mainly due to increase in salary to staff, corresponding increase in Employee Provident Fund. The number of personnel employed also increased during the year on account of higher operations.

Depreciation & Amortization
Depreciation in terms of value increased by Rs. -5.89 Lacs or -20.21% from Rs 29.15 Lacs in the fiscal year ended March 31, 2016 to Rs. 23.26 Lacs in the fiscal year ended March 31, 2017. Decrease in Depreciation was due to no additions to fixed assets and change of method of deprecation as per Companies Act 2013.

Other Expenses
Other Expenses in terms of value and percentage decreased by Rs. -3.49 Lacs and -3.38%, from Rs. 103.30 Lacs in the fiscal year ended March 31, 2016 to Rs. 99.81 Lacs in the fiscal year ended March 31, 2017. Other expenses decreased mainly due to decrease in Commission and Professional & Technical expenses and Misc. Expenses.

Net Profit after Tax and Extraordinary items
Net Profit has increased by Rs. 61.67 Lacs and 160.68% from profit of Rs. 38.38 Lacs in the fiscal year ended March 31, 2016 to profit of Rs. 100.05 Lacs in the fiscal year ended March 31, 2017. Net profit has increased due to increase in revenue from Operations.

INTERNAL CONTROL SYSTEM

Your Company has an adequate system for internal control covering all financial and operating functions commiserating with the Company's size and business. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. These ensure that its assets and interests are carefully protected. The systems and processes are continually reviewed for its effectiveness and augmented by documented policies and procedures. A strong internal audit programme under the leadership of its dedicated Internal Audit team that ensures adequate processes, systems and internal controls are implemented strictly. The Audit Committee, which is a sub-committee of your Board of Directors, reviews adherence to internal control systems, internal audit reports and implementation of suggestions. This Committee reviews all Half yearly financial results of the Company and conveys to the Board its recommendation for consideration of such results and their approval.

HUMAN RESOURCE

Human resource management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets - the people working there who individually and collectively contribute to the achievement of the objectives of the business. Human resource management is both an academic theory and a business practice that addresses the theoretical and practical techniques of managing a workforce. Human Resource functions and initiatives of the Company are driven by a strong set of values and policies. Your Company has maintained a competitive, healthy and harmonious work environment at all levels. We have taken new initiatives to strengthen the Company's recruitment process, values

and vision programmes, leadership and Performance management. The Company's HR policies and processes are aligned to effectively drive its expanding business and emerging Opportunities. This has been achieved by continuously investing in learning and development programs, creating a compelling work environment, empowering employees at all levels and maintaining well-structured reward and recognition mechanisms. Employee engagement remains a key focus of HR initiatives undertaken by the Company. Husys enables its employees to meet their career objectives through rotation across projects, functions and locations. The Company helps employees build new skills and competencies and promotes knowledge sharing and team building.

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS:

CIN	L74140TG2005PLC047222
Registration Date	24/08/2005
Name of the Company	Husys Consulting Limited
Category/Sub-category of the Company	Company Limited by Shares/ Public Company
Address of the Registered office & contact details	Husys House, 1-8-505/E/D/A, Prakash Nagar, Begumpet, Hyderabad- 500016
Whether listed Company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Ph. No. +91-40-67161615

II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Human resources provision and management of human resources functions	7830	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
N. A					

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2016]				No. of Shares held at the end of the year [As on 31/03/2017]				% Change during the year
	Demat	Physical	Total	% of Tot. Shares	Demat	Physical	Total	% of Tot. Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,582,885	-	1,582,885	94.60%	1,582,885	-	1,582,885	69.38%	(25.22%)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	1,582,885	-	1,582,885	94.60%	1,582,885	-	1,582,885	69.38%	(25.22%)
(2) Foreign									
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	1,582,885	-	1,582,885	94.60%	1,582,885	-	1,582,885	69.39%	(25.21%)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-

h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.					160,000	-	160,000	7.01%	7.01%
i) Indian	-	-	-	-	528,365	-	528,365	23.16%	23.16%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual sh. holders holding nominal sh. capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	90,365	-	90,365	5.40%	-	-	-	0.00%	(5.40%)
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	4,000	-	4,000	0.18%	0.18%
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	6,000	-	6,000	0.26%	0.26%
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	90,365	-	90,365	5.40%	698,365	-	698,365	0.61%	25.21%
Total Public Shareholding (B)=(B)(1) + (B)(2)	90,365	-	90,365	5.40%	698,365	-	698,365	0.61%	25.21%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	673,250	-	673,250	100.00	281,250	-	281,250	100.00	0%

(ii) Shareholding of Promoter

S.N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total sh.	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total sh.	
1	Mr. Gundlapally Ramalinga Reddy	981,385	58.65%	-	937,885	41.11%	-	(17.54%)
2	Ms. Gundlapally Praveena Reddy	644,000	38.49%	-	644,000	28.23%	-	(10.26%)
3	Mr. Gundlapally Venkat Reddy	1,000	0.60%	-	1,000	0.05%	-	(0.60%)
	TOTAL	1,626,385	97.74%	-	1,582,885	69.39%	-	(28.40%)

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

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
At the beginning of the year	1,626,385	100%	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	43,500	26.75%	1,582,885	100%
At the end of the year	-	-	1,582,885	100%

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

SN	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2016		Increase / Decrease in shareholding		Cumulative Shareholding at end of the year 31.03.2017	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1.	Lakshmi Narasimha Rao Parmi	5,715	0.34%	-	-	5,715	0.25%
2.	Venkateshwar Rao Pandurangi	5,000	0.30%	-	-	5,000	0.22%
3.	Naresh Babu Deevi	3,575	0.21%	6,575	-	11,575	0.51%
4.	M V L Narsimha Murthy	3,575	0.21%	3,575	-	3,575	0.16%
5.	Gundlapally Venkat Reddy	1,000	0.06%	-	-	1,000	0.04%
6.	T S Vijayaraghavan	14,500	0.86%	4,000	-	18,500	0.81%

7.	Verghese K Jacob	14,500	0.86%	14,500	-	14,500	0.64%
8	Anant Kumar Jain	-	-	-	-	18,000	0.79%
9	Suneetha Raghavendra	-	-	-	-	14,500	0.63%
10	Ravindra Ganapathy	-	-	-	-	14,500	0.63%
11	Jyotirmoy Bose	-	-	-	-	14,500	0.63%
12	Naresh Kumar Jain	-	-	-	-	10,000	0.44%
13	Premal V Mehta	-	-	-	-	6,000	0.26%
14	Saritha Katti	-	-	-	-	6,000	0.26%

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	Name of Directors/ Key Managerial Personnel	Shareholding at the beginning of the year 01.04.2016		Increase / Decrease in shareholding		Cumulative Shareholding at end of the year 31.03.2017	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1	Mr. Gundlapally Ramalinga Reddy	981,385	58.65%	-	43,500	937,885	41.11%
2	Ms. Gundlapally Praveena Reddy	644,000	38.49%	-	-	644,000	28.23%

(vi) Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,738,839	-	-	14,738,839
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	14,738,839	-	-	14,738,839
Change in Indebtedness during the financial Year				
* Addition	-	-	-	-
* Reduction	14,738,839	-	-	14,738,839
Net Change	14,738,839	-	-	14,738,839
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

S.No	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Gundlapally Ramalinga Reddy	Ms. Gundlapally Praveena Reddy	Ms. Geeta Goti	
1	Gross salary	1,848,660	581,064	1,568,676	3,998,400
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	1,848,660	581,064	1,568,676	3,998,400

The remuneration is within the limits as per section 197 of the Companies Act, 2013 read along with Schedule V and is approved by the Shareholders by way of a Special Resolution.

B. Remuneration to other Directors.

(Amount in ₹)

S.No.	Particulars of Remuneration	Name of Directors			Total Amount
		Ms. Nina Elizabeth Woodard	Mr. Atal Malviya	Mr. Biju Varkkey	
1	Independent Directors				
	Fee for attending board committee meetings	15,000	12,500	22,500	50,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	15,000	12,500	22,500	50,000
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	15,000	12,500	22,500	50,000
	Total Managerial Remuneration (A+B)				4,048,400

The remuneration is within the limits as per section 197 of the Companies Act, 2013 read along with Schedule V and is approved by the Shareholders by way of a Special Resolution.

C. Remuneration to key managerial personnel other than MD/Manager/WTD

S.No	Particulars of Remuneration		Key Managerial Personnel		
		CS*	CS*	CFO	Total (in Rs)
		Ms. Harshita Jain	Ms. Megha Chandak	Mr. Francis Paul	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	223,888	39,296	1,034,004	1,297,188
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	223,888	39,296	1,034,004	1,297,188

Notes:

* Mr. Atal Malviya has been appointed as Independent Director of the Company with effect from 24-05-2016.
* Ms. Megha Chandak has been appointed as Company Secretary of the Company with effect from 08-02-2017.
* Ms. Harshita Jain has resigned as Company Secretary of the Company with effect from 10-11-2016.

VI. **Penalties / Punishment/ Compounding of Offences:**

There were no penalties/punishment/compounding of offences for breach of any section of Companies Act as against the Company or its Directors or other officers in default, if any during the year.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
HUSYS CONSULTING LIMITED
Hyderabad.

Report on the Financial Statements

We have audited the acCompanying financial statements of HUSYS CONSULTING LIMITED ('the Company'), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss for the year then ended, and a summary of Significant Accounting Policies and Other Explanatory Information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) On the basis of the written representations received from the Directors as on 31stMarch 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and
   (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial position.
      ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
      iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No.2.12 to the financial statements.

for JBRK & Co.,
Chartered Accountants
Firm's Regd.No. **005775S**

sd/-
(CA. Sai Bhaskar K)
Partner
Membership number: **201048**

Hyderabad
Date: 30-05-2017

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the Members of the Company on the financial statements for the year ended 31st March 2017, we report that:

i.

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

ii. The Company is not into trading activity. Hence this clause is not applicable.

iii. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to or from companies, firms or other parties in the register required to be maintained under section 189 of the Act, accordingly paragraph (iii) of the order is not applicable.

iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.

v. The Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 of the act and rules framed there under.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

vii. According to the information and explanations given to us andon the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Value added tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

viii.

a. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Income Tax, Sales Tax, Wealth Tax, duty of Customs, Value added tax, Cess and other material statutory dues were in arrears as at 31stMarch 2017 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no material dues of Wealth tax, duty of Customs and Cess which have not been deposited with the appropriate authorities on account of any dispute.

c. According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 (18 of 2013) and rules there under has been transferred to such fund within time.

ix. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

x. In our opinion and according to the information and explanation to us, the Company has not defaulted during the year in repayment of dues to its financial institutions and bankers. The Company did not have any outstanding debentures during the year.

xi. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

xii. The Company did not have any term loans outstanding during the year.

xiii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For JBRK & Co.,
Chartered Accountants
Firm's Regd.No. **005775S**

sd/-
(CA. Sai Bhaskar K)
Partner
Membership number: **201048**

Hyderabad
Date: 30-05-2017

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note	As at March 31, 2017 (Amount in ₹)	As at March 31, 2016 (Amount in ₹)
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2.1	22,812,500	16,732,500
(b) Reserves and Surplus	2.2	47,476,011	7,783,060
		70,288,511	**24,515,560**
2. Share Application Money Received		**-**	**-**
3. Non-current Liabilities			
(a) Deferred Tax Liabilities (Net)	2.3	580,982	365,916
(b) Long-term Provisions	2.4	-	-
		580,982	**365,916**
4. Current Liabilities			
(a) Short-term Borrowings	2.5	-	14,261,299
(b) Trade Payables	2.6	1,104,971	2,460,710
(c) Other Current Liabilities	2.7	1,050,761	3,688,900
(d) Short-term Provisions	2.8	23,989,694	5,564,818
		26,145,426	**25,975,727**
Total		**97,014,919**	**50,857,203**
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	2.9		
(i) Tangible Assets		10,059,701	5,149,301
(ii) Capital Work-in-Progress		30,079,503	25,134,541
(b) Non-current Investments		-	-
(c) Long-term Loans & Advances	2.10	-	-
		40,139,204	**30,283,842**
2. Current Assets			
(a) Inventories		-	-
(b) Trade Receivables	2.11	33,519,656	5,718,579
(c) Cash and Cash equivalents	2.12	11,932,505	2,630,079
(d) Short-term Loans and Advances	2.13	11,423,555	12,224,704
		56,875,715	**20,573,362**
Total		**97,014,919**	**50,857,203**

Significant Accounting Policies and Notes to Accounts: 1 & 2
As per our report of even date.

For JBRK & Co
Chartered Accountants
Firm Registration No: **005775S**

For and on behalf of the Board of Directors
For HUSYS CONSULTING LIMITED

Sd/-
(CA. Sai Bhaskar. K)
Partner
Membership No: 201048
Place: Hyderabad
Date: 30.05.2017

Sd/-
Francis Paul
Chief Financial Officer

Sd/-
Megha Chandak
Company Secretary

Sd/-
G. Ramalinga Reddy
Managing Director
DIN No. 00559079

Sd/-
Geeta Goti
Executive Director
DIN No. 06866598

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED MARCH 31, 2017

Particulars	Note	Period from April 1, 2016 to March 31 2017 (Amount in ₹)	Period from April 1, 2015 to March, 31 2016 (Amount in ₹)
I Revenue from Operations	2.14	145,480,317	124,135,013
II Other Income	2.15	345,264	352,647
III Total (I + II)		**145,825,581**	**124,487,660**
IV EXPENSES			
Employee Benefits Expenses	2.16	117,563,413	104,265,967
Administration & Other Expenses	2.17	9,981,461	10,330,047
Financial Expenses	2.18	1,475,706	1,422,117
Depreciation	2.9	2,325,895	2,914,862
Total		**131,346,475**	**118,932,993**
V Profit/(loss) before tax and prior period items		**14,479,106**	**5,554,667**
VI Prior period Adjustments (Net)		-	-
VII Profit / (Loss) before Tax		**14,479,106**	**5,554,667**
VIII Tax Expenses			
- Current Tax		4,258,978	2,245,895
- Deferred Tax		215,066	(529,503)
IX Profit / (Loss) after Tax		**10,005,062**	**3,838,274**
Profit Brought forward from last year		-	-
Amount available for Appropriations		**10,005,062**	**3,838,274**
Proposed/Interim Dividend		**1,140,625**	**-**
Tax on Dividend		-	-
Net Profit Transferred to Balance Sheet		**8,864,437**	**3,838,274**
Earnings per equity share of face value of Rs.10/- each			
Before Exceptional Item			
- Basic		6.35	3.32
- Diluted		6.35	3.32
After Exceptional Item			
- Basic		4.39	2.29
- Diluted		4.39	2.29
Number of Shares used in computing earnings per share			
- Basic		2,281,250	1,673,250
- Diluted		2,281,250	1,673,250

Significant Accounting Policies and Notes to Accounts: 1 & 2
As per our report of even date.

For JBRK & Co.,
Chartered Accountants
Firm Registration No: **005775S**

For and on behalf of the Board of Directors
For HUSYS CONSULTING LIMITED

Sd/-
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Partner
Membership No: 201048

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G. Ramalinga Reddy
Managing Director
DIN No. 00559079

Sd/-
Geeta Goti
Executive Director
DIN No. 06866598

Place: Hyderabad
Date: 30.05.2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note	As at March 31, 2017 (Amount in ₹)	As at March 31, 2016 (Amount in ₹)
A. Cash flow from Operating activities			
Profit after tax		3,820,952	3,838,274
Adjustment for :			
Depreciation and amortisation		2,325,895	2,914,862
Gain)/loss on sale of fixed asset		-	-
Issue of Bonus Shares		-	-
Interest expenses		1,475,706	1,422,117
Interest income		(319,921)	(68,365)
Provision for doubtful debts		-	-
Credit balances written off		-	-
Provision no longer written back		-	-
Debts and advances written off		-	-
Provision for Deferred tax asset/ Liability		4,474,044	(529,503)
Operating profit before working capital changes		**11,776,676**	**7,577,386**
Movements in working capital			
(Decrease) /Increase in other current liabilities		(2,638,140)	(4,798,273)
(Decrease) /Increase in trade payables		(1,355,739)	(525,700)
(Decrease) /Increase in short Borrowings		(14,261,299)	(477,540)
(Decrease) /Increase in short term provisions		19,532,376	5,028,070
(Increase) / Decrease in inventories		-	-
(Increase) / Decrease in trade receivables		(27,801,077)	(249,670)
(Increase) / Decrease in short-term loans and advances		801,150	(2,004,651)
(Increase) / Decrease in other current assets		-	-
		(25,722,730)	(3,027,765)
Cash generated from / (used in) operations		**(13,946,054)**	**4,549,621**
Income tax received / paid (net of refund)		4,258,978	2,245,895
Net cash flow from / (used in) operating activities	**(A)**	**(18,205,032)**	**2,303,726**
B. Cash flow from Investing activities			
Purchase of tangible Assets		**(12,181,257)**	(4,119,780)
Proceeds from sale of tangible Assets		-	-
Net cash flow from /(used in) investing activities	**(B)**	**(12,181,257)**	**(4,119,780)**
C. Cash flow from Financing activities			
		6,080,000	4,132,500
Increase in securities premium account		34,764,500	1,107,500
(Decrease) / Increase in other long-term liabilities		-	-
(Decrease)/ Increase in Share Application Money		-	-
Interest Income		319,921	68,365
Interest paid		(1,475,706)	(1,422,117)
Net cash flow from /(used in) financing activities	**(C)**	**39,688,715**	**3,886,248**
Effect of exchange differences on currency cash and cash equivalents held in foreign currency		-	-
Net increase / (decrease) in cash and cash equivalents	**(A)+(B)+(C)**	**9,302,426**	**2,070,193**

Particulars	Note	As at March 31, 2017 (Amount in ₹)	As at March 31, 2016 (Amount in ₹)
Cash and cash equivalents as at March 31, 2016		**2,630,079**	**559,886**
Cash and cash equivalents as at March 31, 2017		**11,932,505**	**2,630,079**
Components of cash and cash equivalents			
Cash on hand		16,908	4,105
With banks - on current accounts		10,729,897	2,625,974
With banks - Fixed Deposits		1,185,700	-
Cash and Bank balance		**11,932,505**	**2,630,079**

As Per our report of even date

For JBRK & Co.,
Chartered Accountants
Firm Registration No: **005775S**

For and on behalf of the Board of Directors
For HUSYS CONSULTING LIMITED

Sd/-
(CA. Sai Bhaskar. K)
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Managing Director
DIN No. 00559079

Sd/-
Geeta Goti
Executive Director
DIN No. 06866598

Place: Hyderabad
Date: 30.05.2017

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNT

1. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

2. Fixed Assets and Depreciation

a. Fixed assets are stated at cost, less accumulated depreciation / amortization. Costs include all expenses incurred to bring the assets to its present location and condition.

b. Fixed assets exclude computers and other assets individually costing Rs. 50,000 or less which are not capitalized except when they are part of a larger capital investment programme.

3. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication of impairment to the assets. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit &Loss account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

4. Inventories

Inventories are valued at the cost or net realizable value whichever is lower. Cost of Raw material and stores is determined on weighted average cost basis. In case of goods in transit, cost represents the costs incurred up to the stage at which the goods are in transit.

5. Revenue Recognition

Revenues are recognized to the extent that it is probable that economic benefit will flow to the Company and revenue can be reliably measured. It is accounted for net of trade discounts.

6. Taxation

Tax expense comprises current tax, deferred tax. The provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax assets (DTA) and liabilities (DTL) are computed on the timing differences at the Balance Sheet date using the tax rate and tax laws that have been enacted or substantially enacted by the Balance Sheet date. DTA is recognized based on management estimates of reasonable certainty that sufficient taxable income will be available against which such DTA can be realized. DTA in relation to unabsorbed depreciation or carried forward losses under the taxation laws are recognized only if there is virtual certainty of realization of such assets.

7. Provisions and Contingent Liability

a. The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

b. Disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

8. **Earnings per Share**
Basic earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year.

2. NOTES TO ACCOUNTS:

a. The Company has taken steps to identify the Micro, Small and Medium Enterprises Vendors based information currently available with the Company. There are no dues to MSME vendors and hence disclosures relating to such vendors under Micro, Small and Medium Enterprises Development Act, 2006 are not furnished.

b. **Auditors' Remuneration:**

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Statutory Audit	50,000	50,000
Tax Audit	20,000	20,000
Tax Re-Presentation	20,000	20,000
Total	**90,000**	**90,000**

c. **Employee Benefits**

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Employee Benefits	117,563,413	104,265,967
Total	**117,563,413**	**104,265,967**

d. **Related Party Transaction**

(Amount in ₹)

Nature of Transaction	Year ended March 31, 2017	Year ended March 31, 2016
Remuneration		
Gundlapally Ramalinga Reddy	1,848,660	1,199,124
Gundlapally Praveena Reddy	581,064	643,692
Rent		
Gundlapally Ramalinga Reddy	1,193,760	1,074,384

e. **Balance** of sundry debtors, Loans and advances are subject to confirmation. Adjustments if any will be considered in the accounts in the year of such confirmation.

f. **(i) Earnings in Foreign currency**

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Income from Export Services	125,265,684	108,436,572

Note: Current year equaling to USD 1,806,619.42, GBP 4,576.35, Euros 150 S$ 82,322.83
Previous Year equaling to USD 591,681, GBP 272, AUD 1,456,472 & Euros 423)

(ii) Expenditure in Foreign Currency

(Amount in ₹)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Annual Conference Fee – CSG – Euros 1,220	92,254	Nil
Membership Fee – CSG – USD 6,000	397,787	397,787

Particulars	As at March 31, 2017 (Amount in ₹)	As at March 31, 2016 (Amount in ₹)
2.1 Share Capital		
Authorised: 50,00,000 (Previous year: 50,00,000) Equity Shares of Rs 10/- each	50,000,000	50,000,000
	50,000,000	**50,000,000**
Issued, Subscribed and Paid up: 22,81,250 (Previous year: 16,73,250) Equity Shares of Rs 10/- each fully paid up	22,812,500	16,732,500
	22,812,500	**16,732,500**

Equity shareholders holding more than 5% of equity shares along with the number of equity shares held is as given below:

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	No of shares	%	No of shares	%
G.Rama Linga Reddy	937,885	41.11	981,385	59
G.Praveena Reddy	644,000	28.23	644,000	38
G. Venkat Reddy	1,000	0.04	1,000	0
Lakshmi Narsimha Rao Parmi	5,715	0.25	5,715	0
M V L Narshimla Murthy	3,575	0.16	3,575	0
Naresh Babu Deevi	3,575	0.16	3,575	0
Venkateshwar Rao Pandurangi	5,000	0.22	5,000	0
Jacob K Verghese	14,500	0.64	14,500	1
Jyothirmoy Bose	14,500	0.64	-	-
Ravindran Ganapathy	14,500	0.64	-	-
Suneetha Raghavendra	14,500	0.64	-	-
TS Vijayaraghavan	14,500	0.64	14,500	1
IPO 2016 Issue	608,000	26.65	-	-
	2,281,250	100.00	1,673,250	100
Reconciliation of the number of shares outstanding				
Equity Shares	**Number**	**Value**	**Number**	**Value**
Shares outstanding at the beginning of the year	1,673,250	16,732,500	1,260,000	12,600,000
Shares issued during the year	608,000	6,080,000	413,250	4,132,500
Fully paid - up shares	2,281,250	22,812,500	1,673,250	16,732,500
Shares bought back during the year	-	-	-	-
Shares outstanding at the year end	2,281,250	22,812,500	1,673,250	16,732,500

Particulars	As at March 31, 2017 (Amount in ₹)	As at March 31, 2016 (Amount in ₹)
2.2 Reserves & Surplus	**(Amount in Rupees)**	**(Amount in Rupees)**
General Reserve		
Opening balance	**7,783,059**	**2,837,285**
Add: Amount transferred from statement of profit and loss	8,864,438	3,838,275
Less: Issue of Bonus Shares	-	-
Less: IPO Issue Expenses	5,043,486	-
Add: Share Premium	35,872,000	1,107,500
	47,476,011	**7,783,060**

Particulars	As at March 31, 2017 (Amount in ₹)	As at March 31, 2016 (Amount in ₹)
Non - Current liabilities		
2.3 Deferred Tax liability (net)		
Deferred tax liability comprises of following:		
Opening Balance	365,916	895,419
- Difference between tax depreciation and book depreciation	215,066	(529,503)
	580,982	**365,916**
Deferred tax assets comprise of the following:		
- On account of unabsorbed depreciation	-	-
- On account of provisions	-	-
Deferred Tax liability (net)	**580,982**	**365,916**
2.4 Long-term Provisions		
Provisions	-	-
	-	-
Current liabilities		
2.5 Short-term Borrowings		
Clean Overdraft from Bank of India	-	14,261,299
	-	**14,261,299**
2.6 Trade Payables		
- Micro, Small and Medium Enterprises	-	-
- Others	1,104,971	2,460,710
	1,104,971	2,460,710
2.7 Other Current Liabilities		
Other Current Liabilities	698,908	483,438
Statutory Liabilities	351,853	3,205,462
	1,050,761	**3,688,900**
2.8 Short-term Provisions		
Provision for Expenses	18,797,515	2,664,958
Provision for Dividend Payable	1,140,625	-
Provision for Income Tax Payable	4,051,555	2,899,859
	23,989,694	**5,564,818**

Note 2.9 - Fixed Assets

(Amount in ₹)

Assets	Gross Block					Accumulated Depreciation				Net Book Value	
	Rate of Dep	As at 01.04.2016	Additions	Dispos-als	As at 31.03.2017	Up to 31.03.2016	For the period	On disposals	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Tangible Assests											
Computers	31.67%	1,247,861	11,119	-	**1,258,980**	1,071,113	**84,916**	-	**1,156,029**	**102,951**	176,748
Furniture & Fixtures	9.50%	2,324,201	-	-	**2,324,201**	1,032,025	**220,795**	-	**1,252,820**	**1,071,381**	1,292,176
Buildings	1.58%	1,197,075	-	-	**1,197,075**	94,768	**18,954**	-	**113,722**	**1,083,353**	1,102,307
Air Conditioner	9.50%	202,486	36,590	-	**239,076**	79,518	**19,909**	-	**99,427**	**139,649**	122,968
LCD Players	9.50%	25,000	-	-	**25,000**	21,375		-	**21,375**	**3,626**	3,626
Printer & Scanner	31.67%	7,800	-	-	**7,800**	7,410		-	**7,410**	**390**	390
Mobile	9.50%	123,321	11,443	-	**134,764**	46,847	**12,767**	-	**59,614**	**75,150**	76,474
Vehicles	11.88%	2,395,185	-	-	**2,395,185**	1,293,900	**255,916**	-	**1,549,816**	**845,369**	1,101,285
Microwan	9.50%	5,990	-	-	**5,990**	2,845	**569**	-	**3,414**	**2,576**	3,145
Electrical - Network Equipment	9.50%	162,150	-	-	**162,150**	29,858	**15,404**	-	**45,262**	**116,888**	132,292
Invertor & Electrical Equipments	9.50%	158,829	-	-	**158,829**	57,770	**15,089**	-	**72,859**	**85,969**	101,058
Total		**7,849,898**	**59,152**	-	**7,909,050**	**3,737,430**	**644,319**	-	**4,381,749**	**3,527,300**	**4,112,467**
Intangible Assests											
Software	31.67%	3,189,918	7,177,143	-	**10,367,061**	2,153,084	1,681,576	-	3,834,660	**6,532,401**	1,036,834
Total		**11,039,816**	**7,236,295**	**-**	**18,276,111**	**5,890,514**	**2,325,895**	**-**	**8,216,409**	**10,059,701**	**5,149,301**
Capital Work in Progress		**25,134,541**	**4,944,962**	**-**	**30,079,503**					**30,079,503**	

Particulars	As at March 31, 2017 (Amount in ₹)	As at March 31, 2016 (Amount in ₹)
Non-Current Assets		
2.10 Long - Term Loans & Advances		
Related Parties	-	-
	-	-
2.11 Trade Receivables		
Debts outstanding for a period exceeding six months		
Secured & Considered Good	-	-
Unsecured & Considered Good		
Less Than 6 Months	27,170,638	2,630,742
More Than 6 Months	6,349,018	3,087,837
	33,519,656	5,718,579
Less: Provision for Doubtful Debts	-	-
	33,519,656	5,718,579
Other Debts, Considered Good		
Secured & Considered Good	-	-
Unsecured & Considered Good	-	-
	33,519,656	**5,718,579**
2.12 Cash and Cash equivalents		
Cash on Hand	16,908	4,105
Balances with Scheduled Banks:		
- in Current Accounts	10,729,897	2,625,974
- in Deposit Accounts	1,185,700	-
	11,932,505	**2,630,079**

The Details of Specified Bank Notes (SBN) held and transaction during the period from 8th November 2016 to 30th December 2016 are as provided in the table below:

	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	Nil	83,615	83,615
Add: Permitted Receipts	Nil	20,208	20,208
Less: Permitted Payments	Nil	71,158	71,158
Less: Amount Deposited in Banks	Nil	Nil	Nil
Closing Cash in hand as on 30.12.2016	Nil	32,665	32,665

2.13 Short-term Loans & Advances		
Unsecured, Considered Good		
Advances to Vendors	3,961,452	4,387,817
Balances with IT authorities	6,120,530	6,844,828
Prepaid Expenses	262,052	509,060
Other current assets	1,079,520	483,000
	11,423,555	**12,224,704**

Particulars	Period from April 1, 2016 to March 31 2017 (Amount in ₹)	Period from April 1, 2015 to March, 31 2016 (Amount in ₹)
2.14 Revenue from Operations		
HR Function Outsourcing	8,299,646	7,791,087
Recruitment Fees	2,253,889	1,963,370
HR Consulting	3,752,852	3,548,228
Medical Affinity Services	195,518	-
Outplacement Services	3,300,682	1,175,738
HR Information System	5,017,851	976,892
Training Fee	766,305	-
Business Incubation	107,826	-
Franchisee Fee	186,957	-
Professional Employer Organisation	121,598,791	108,679,699
	145,480,317	**124,135,013**
2.15 Other Income		
Other than Non-Operating Income		
Other Income	25,343	63,207
Interest on deposit	319,921	68,365
Interest on IT Refund	-	221,075
	345,264	**352,647**
2.16 Employee benefits expense		
Salaries, Wages, Bonus and other allowances	113,311,416	99,568,627
Contribution to Provident Fund and Other Funds	4,140,451	4,492,074
Staff Welfare	111,546	205,265
	117,563,413	**104,265,967**
2.17 Administration and other expenses		
Rent	2,146,245	3,451,861
Rates & Taxes	17,110	13,519
Repairs & Maintenance	188,162	126,290
Travelling & Conveyance	861,032	642,384
Communication expenses	527,978	383,181
Legal & Professional fees	47,249	118,306
Auditors Remuneration	115,000	129,500
Other Expenses	6,078,685	5,465,006
	9,981,461	**10,330,047**
2.18 Interest & Financial Cost		
Bank Charges	103,050	52,160
Foreign Exchange Fluctuation	103,654	115,999
Interest On Bank Loan - BOI	1,020,640	1,084,413
Interest on Statutory Payments	197,965	64,080
Interest on Expenses	50,397	105,465
	1,475,706	**1,422,117**

Figures in brackets are in respect of previous years. Figures for the corresponding year have been regrouped, recast and rearranged to conform to those of current year, wherever necessary.

For JBRK & Co.,
Chartered Accountants
Firm Registration No: **005775S**

For and on behalf of the Board of Directors
For HUSYS CONSULTING LIMITED

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(CA. Sai Bhaskar. K)	**Francis Paul**	**Megha Chandak**	**G. Ramalinga Reddy**	**Geeta Goti**
Partner	**Chief Financial Officer**	**Company Secretary**	**Managing Director**	**Executive Director**
Membership No: 201048			DIN No. 00559079	DIN No. 06866598

Place: Hyderabad
Date: 30.05.2017

DECLARATION WITH RESPECT TO AUDIT REPORTS WITH UNMODIFIED OPINION

Date: 30/05/2017

To
National stock Exchange of India Limited
Exchange Plaza,
BandraKurla Complex,
Bandra (East),
Mumbai- 400051

Dear Sir,

Sub: Declaration with respect to Audit Reports with unmodified opinion

Ref: Husys Consulting Limited (Company symbol: HUSYSLTD)

With respect to the cited subject and pursuant to Notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25,2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016 issued by the Securities and Exchange Board of India (SEBI), we hereby declare that the Audit Report issued by M/s. JBRK & Co., Chartered Accountants Statutory Auditors on the Annual Audited Financial Statements of the Company for the financial year ended 31st March, 2017 is with unmodified opinion.

We request you to take above information on record.

Thanking You.

Yours Faithfully,
For **HUSYS CONSULTING LIMITED**

Sd/-
Gundlapally Ramalinga Reddy
Managing Director
DIN: 00559079

HUSYS CONSULTING LIMITED
(CIN: L74140TG2005PLC047222)

Regd. Office: Husys House, 1-8-505/E/D/A, Prakash Nagar, Begumpet, Hyderabad -500016.
Tel: +91- 40 - 6519 5632
Website: www.husys.com; Email: corp.affairs@husys.com

ATTENDANCE SLIP FOR 12TH ANNUAL GENERAL MEETING

(To be handed it over at venue of the meeting)

I certify that I am a registered shareholder/ proxy/ representative for the registered shareholder(s) of Husys Consulting Limited.

DP ID*		Folio No.	
Client ID*		No. of Shares	

* Applicable for investors holding shares in electronic form

I hereby record my presence at the 12th Annual General Meeting of the Company held on 11th day of July, 2017 at 11:30 A.M. at Husys House, 1-8-505/E/D/A, Prakash Nagar, Begumpet, Hyderabad -500016, Telangana.

Name and Address of Member

Signature of Shareholder /Proxy/Representative
(Please Specify)

Note:

1. Shareholders/ Proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand them over at the venue, affixing their signature on them.

2. Members are informed that no duplicate attendance slips will be issued at the venue of the meeting.

HUSYS CONSULTING LIMITED

(CIN: L74140TG2005PLC047222)

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PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rule, 2014]

CIN	L74140TG2005PLC047222
Name of the Company	Husys Consulting Limited
Registered office	Husys House, 1-8-505/E/D/A, Prakash Nagar, Begumpet, Hyderabad -500016
Name of the Member(s)	
Registered Address	
Email Id	
Folio No / Client ID	
DP ID:	

I/ We, being the member(s) of _____ shares of the above named Company, hereby appoint

1	Name			
	Address			
	E- Mail ID		Signature	
	of failing him			
2	Name			
	Address			
	E- Mail ID		Signature	
	of failing him			
	of failing him			
3	Name			
	Address			
	E- Mail ID		Signature	
	of failing him			
	of failing him			

As my / our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the 12th Annual General Meeting of the Company, to be held on 11th day of July, 2017 at 11:30 A.M. at the Husys House, 1-8-505/E/D/A, Prakash Nagar, Begumpet, Hyderabad -500016 and at any adjournment thereof in respect of such resolution as are indicated below:

S.No.	Resolutions	For	Against	Abstain
Ordinary business				
1	To consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors			
2	Re-appointment of Ms. Gundlapally Praveena Reddy who retires by rotation			
3	Re-appointment of Ms. Geeta Goti who retires by rotation			
4	Re-appointment of M/s JBRK & Co, Chartered Accountants as Statutory Auditors			
5	To approve payment of dividend at the rate of Rs. 0.50 paise per equity share			
Special business				
4	To approve powers of the Board U/s 180(1)(a) of the Companies Act, 2013.			
5	To approve Borrowing powers of the Company U/s 180(1)(c) of the Companies Act, 2013			

Affix Revenue Stamp

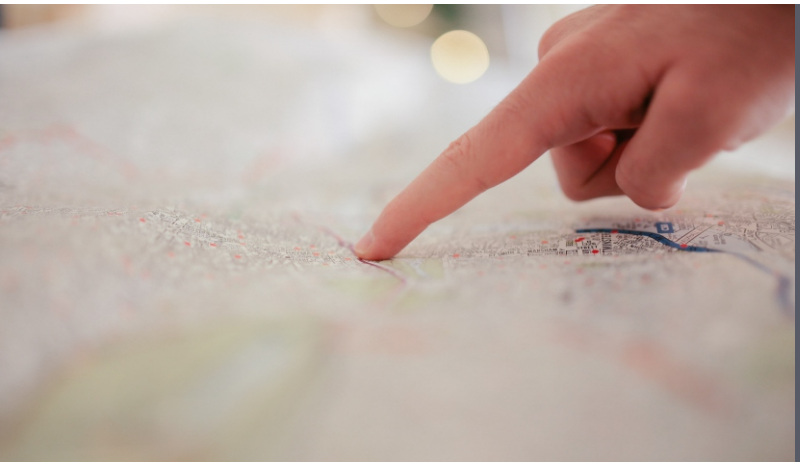
Signed this _____day of_____ 2017.

Signature of Shareholder_____

Signature of Proxy holder(s)_____

Note: This of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

Building a better **future** for better **Husys!**



Franchising Husys for reaching better.

Teaching with InHusys to enable further...

HUSYS®

Husys Consulting Limited

Husys House, # 1-8-505/E/D/A, Prakash Nagar, Begumpet,
Hyderabad – 500 016, Telangana, India.
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Phone: 040-6519 5632 | Mail: reach@husys.com