Husys
HR Function Management Company

MOVING FORWARD

ANNUAL REPORT
2015-2016

TABLE OF CONTENT

Particulars	Page No.
Company Information	3
Notice to Shareholders	6
Chairman Message	10
Directors Report	11
Details of Ratio of Remuneration of Director's	33
Secretarial Audit Report	35
Corporate Governance Report	38
Business Responsibility Report	48
Management's Discussion and Analysis	53
Extract of Annual Return	66
Independent Auditor's Report	73
Balance Sheet	77
Statement of Profit & Loss	78
Cash Flow Statement	79
Notes to Accounts	81
Declaration with respect to Audit Reports with unmodified opinion	89
Attendance Slip	90
Proxy Form	91

COMPANY INFORMATION

Board of Directors

Chairman & Managing Director	: Mr. Gundlapally Ramalinga Reddy
Whole Time Director	: Ms. Gundlapally Praveena
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
e-mail: paul.f@husys.net

Company Secretary & Compliance Officer : Ms. Harshita Jain
e-mail: harshita.j@husys.net

Registered Office : Husys House, 1-8-505/E/D/A,
Prakash Nagar, Begumpet,
Hyderabad- 500016
Telangana, India
Website: www.husys.net
E-mail: corp.affairs@husys.net

Regional offices at : **Bangalore**
512, 1st Floor, 16th Cross
Indira Nagar II Stage,
Bangalore-500 038
Karnataka
Email: reach@husys.net

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

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

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

Statutory Auditors	: **JBRK & Co.** Chartered Accountants 118, Maruthi Complex, 5th Floor, Raj Bhavan Road, Somajiguda, Hyderabad-500 082. E-mail Id: saikolluri@gmail.com
Secretarial Auditors	: **R&A Associates** Company Secretaries T202, Technopolis, 1-10-74/B, Chikoti Gardens, Begumpet, Hyderabad- 500016. E-mail Id: 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.
Bankers	: **Bank of India** 3-4-215, R K Complex, Kachiguda Station Road, Hyderabad - 500027 **HDFC Bank** 1-10-603, Suryodaya, Begumpet, 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
Mr. Atal Malviya	: 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. Harshita Jain	: Secretary

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 11TH ANNUAL GENERAL MEETING OF THE MEMBERS OF HUSYS CONSULTING LIMITED (CIN: U74140TG2005PLC047222) WILL BE HELD ON WEDNESDAY, 22ND JUNE, 2016 AT 4:00 P.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 2015-16 together with the Reports of the Board of Directors' and Auditors' thereon of the Company for the year 2015-16 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. 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."

3. **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, M/s. JBRK & Co., Chartered Accountants, Hyderabad (Firm Registration No: 005775S), be and is hereby appointed as the Statutory Auditor of the Company to audit the accounts till the financial year 2020-2021 and such appointment is good upto the conclusion of the forthcoming sixth Annual General Meeting of the Company, subject to the ratification by members at every annual general meeting."

SPECIAL BUSINESS:

4. **To approve powers of the Board U/s 108(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."

5. 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 and on behalf of the Board

Sd/-
(Gundlapally Ramalinga Reddy)
Managing Director

Place: Hyderabad
Date: 25th May, 2016

NOTES:

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

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

Item 4: To approve powers of the Board U/s 108(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 5: 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 11th Annual General Meeting of your Company and share with you the progress of your Company has made, despite the National & global economy has posed several challenges.

While the economic climate throughout the industry has remained challenging during the year gone by, however, the Fiscal Year 2015-16 was a year of steady revival and consolidation for us. During the year we saw strong revival of business demand across the markets, however, in the backdrop of economic recovery, investments were closely evaluated and business models were realigned by most of our clients.

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 59% from Rs. 34.84 lacs to Rs. 55.55 lacs and achieved some success in this direction as result the Turnover grew by an annualized 34% from Rs. 925.14 lacs to Rs. 1241.35 lacs.

While, some of the Verticals/Lines of Business of your Companies have fared well and high achievers this fiscal, however, there is a dip on the domestic business segment front - HR Consulting, HR Operations and HR Technology.

Looking Ahead

As we step into new fiscal, with the powerful differentiation indicated above and a diverse customer base across geographies, coupled with the learning's during the last couple of years, I am sure that your Company will continue to consolidate and grow in the years to come. This is very evident from orders bagged from various high value customers and new accounts being opened with various Industry majors during the current fiscal 2015-16. The Company is re-starting several initiatives to embrace growth by aggressive business strategies and new business models.

Growth Strategy and Way Forward

- To leverage on the Company's over 14 years of enviable reputation as a Quality end-to-end HR provider
- To increase product offerings across all business segments through Domestic & International Partnerships
- Widen our presence in India by expanding our Franchise Model to reach to the last mile clients
- Create a critical mass through inorganic growth complementing the present business
- Build our Technology, Franchise capabilities to support Startup, Standup & Make in India Initiatives
- Create an IT integrated Delivery model in improving our Client Experience and create newer Avenues for Business opportunity.
- To effectively integrate on-site and off-shore capabilities to deliver HR solutions seamless, scalable, and cost-effective to our Customers
- Pursue alliances with various Companies and HR Technology Providers, that complement our core competencies

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 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,

Sd/-
Gundlapally Ramalinga Reddy
Chairman & Managing Director

DIRECTORS REPORT

To,
The Shareholders,
Husys Consulting Limited.

Your Directors delightfully presents the **11th Annual Report** on the business and operation of the Company together with the Audited Financial Accounts for the year ended **31st March, 2016.**

1. Financial Highlights

Financial results of your Company for the year ended 31st March 2016 are summarized below.

(Amount in Lacs)

Particulars	2015-16	2014-15
Income from Operations	1241.35	925.14
Other Income	3.53	0.84
Total	1244.88	925.98
Operating expenditure	1145.96	872.34
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	98.92	53.63
Finance costs	14.22	7.82
Depreciation and amortization expense	29.15	10.98
Profit before exceptional item and Tax	55.55	34.84
Exceptional Item	-	-
Profit before Tax (PBT)	55.55	34.84
Tax expense	17.16	10.76
Profit for the year (PAT)	38.38	24.07

2. Future Outlook

The Turning Point: A promising outlook for the Indian HR industry

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, However the service sector in India grew in eminence and has steadily emerged as the biggest pie of the national GDP. Mostly driven by IT/ITeS services, the overall industry has steadily matured both in the global as well as the India-to-India market.

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.

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.

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

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

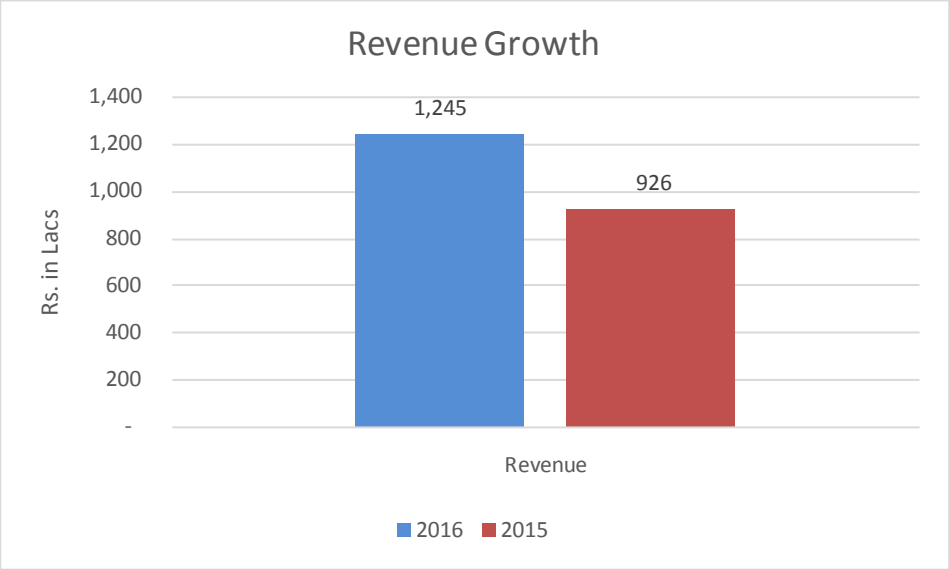
* Sectoral opportunities in retail, hospitality, retail, and PSUs
* Emergence of disruptive technologies, such as gamification
* Larger HR technology budgets from the demand side
* Cloud-based and analytics services

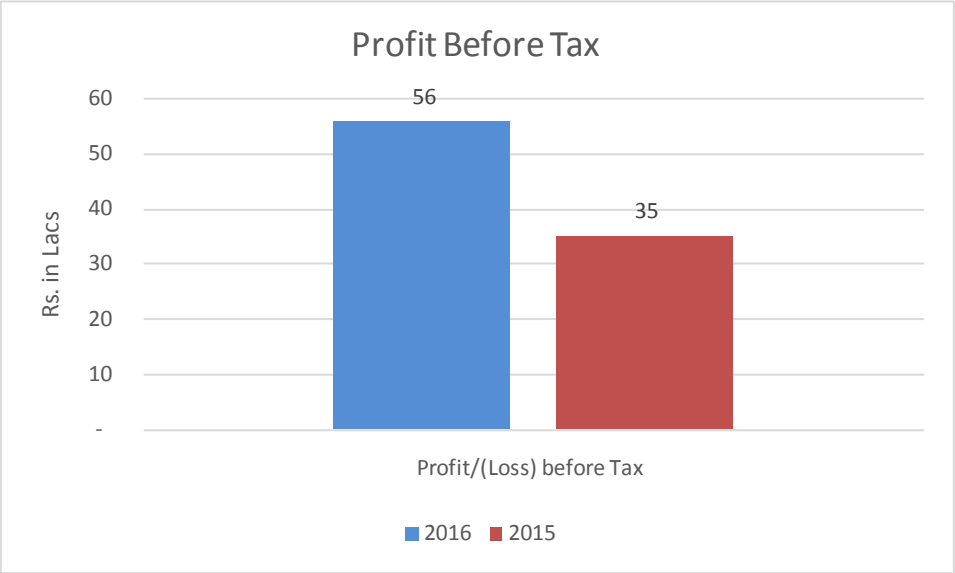
While the present scenario looks positive, future innovations in HR technology will depend on the investments that industry is willing to make. In the coming years, as organizations evolve and become increasingly complex, HR technology will be a necessity rather than a choice.

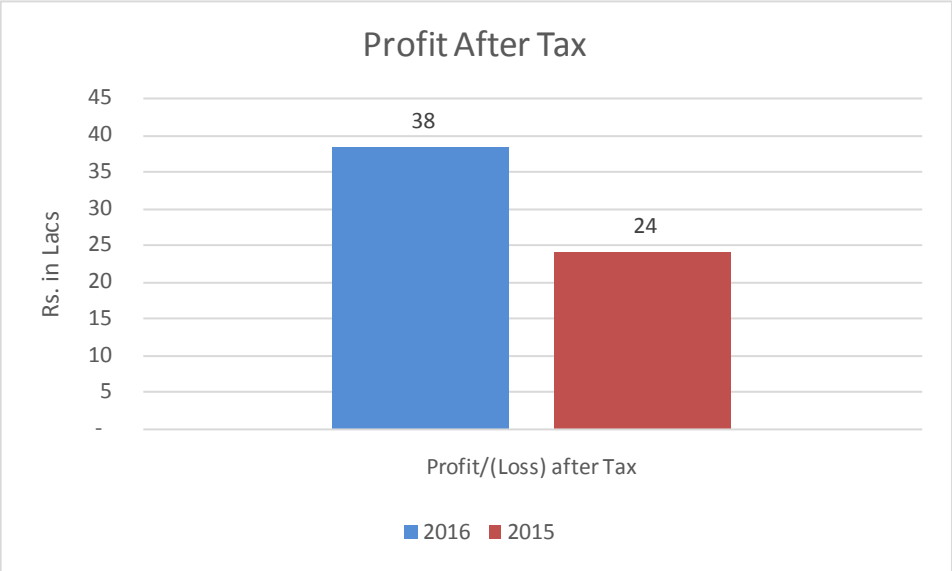
3. State of Company's Financial Affair

The total income of the Company for the year ended 31st March 2016 was Rs. 1241.35 Lacs as against the total income of Rs. 925.14 Lacs for the previous year ended 31st March 2015.

The Company has earned a Net Profit before Tax of Rs. 38.38 Lacs for the year under review as compared to Net Profit of Rs. 24.07 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. The Corporate Identification Number (CIN) of our Company is U74140TG2005PLC047222.

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 27 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

Synergizing Human Potential for Development of Business & Society

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:

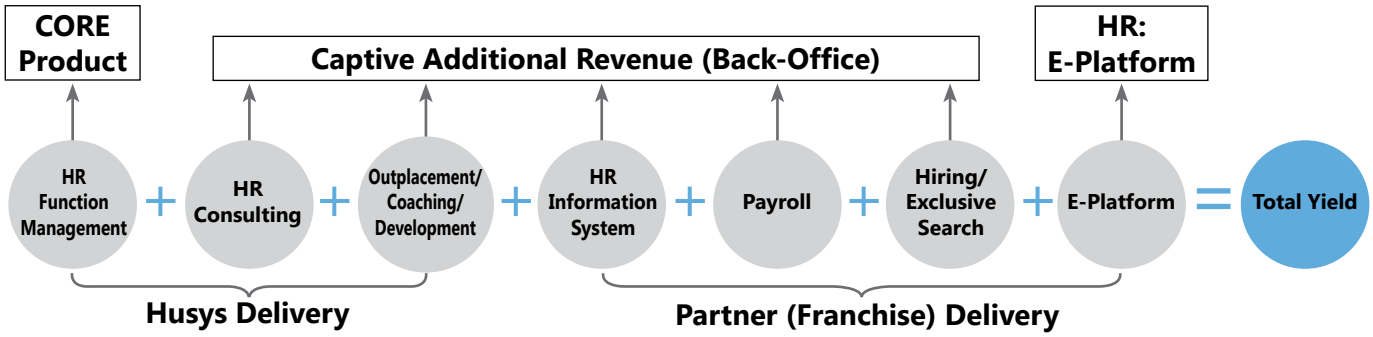
I. HR OPERATIONS:

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 14 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.

  - Recruitment Assignments
  - Talent Reservoir
  - Project Based Requirements
  - 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.

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

  - Organizations who have need for Change and reach us or we attempt reach.
  - Bid based for Private / Governmental / Association / Projects

- **Outplacement:**

  Husys is a part of Career Star Group which represents 70 countries. Husys also the official licensee of Penna Plc. A UK based largest HR Company and the founding member of CSG. 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.

  - Target: Workforce, Employees, Middle Management, Senior Management, CXO and Sr. Director Level
  - 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.

- **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.,

STRENGTHS

- Established Track record of 14 years indicates the Company's ability to survive business cycles.
- Competent and Well Qualified Promoters in the same line of business for 27 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 Penna Plc., 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 Husyst Thinkers. As at March 31, 2016 we have 142 Husyst 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 Husyst (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.

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
- Human
- 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.

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

In order to conserve its financial resources to meet its growth plan, Your Board could not recommend any dividend for the year under review.

7. Reserves

The Board of the Company has decided to carry Rs. 38.38 Lacs to the Reserves of the Company.

8. Finance

Cash and cash equivalents as at March 31, 2016 were Rs. 2,630,079 /-. 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

During the Financial Year 2015-16, the Authorized share capital of the Company has been increased from Rs. 2,50,00,000/- (Equity Shares of 25,00,000) to Rs. 5,00,00,000/-(Equity Shares of 50,00,000). Further, the Paid-up Capital of the Company has been raised from Rs. 1,26,00,000/- (Equity Shares of 12,60,000) to Rs. 1,67,32,500/- (Equity Shares of 16,73,250) pursuant to allotment of 4,13,250 equity shares of Rs 10/- by way of Preferential Allotment. 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 Seven 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 5th June 2015, 2nd July 2015, 6th August 2015, 20th August 2015, 14th November 2015, 31st December 2015 and 18th March 2016.

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. Geeta Goti, Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offered himself for re-appointment.

Appointment of Director

- Ms. Nina Elizabeth Woodard were rectified as Independent Directors of the Company in the Board Meeting held on 02/07/2015. The same was regularized in Extra-Ordinary General Meeting held on 23rd July, 2015 pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder.
- Ms. Geeta Goti was rectified as Independent Directors of the Company in the Board Meeting held on 02/07/2015. The same was regularized in Extra-Ordinary General Meeting held on 23rd July, 2015 pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder.
- Mr. Biju Varkkey was appointed as Independent Director of the Company pursuant to the provisions of the Companies Act 2013 and Rules made thereunder in the Board Meeting held on August 6, 2015 and the same was regularized by the members of the Company in the Annual General Meeting held on September 18, 2015.

Re- Appointment of Director

- Mr. Gundlapally Ramalinga Reddy was re-appointed as Managing Director of the Company pursuant to the provisions of the Companies Act 2013 and Rules made thereunder with effect from April 1, 2016 for a period of 5 years in the Board Meeting held on March 18, 2016 and the same was resolved by the members of the Company in the Extra-Ordinary General Meeting held on March 21st, 2016.
- Ms. Gundlapally Praveena was re-appointed as Whole-Time Director of the Company pursuant to the provisions of the Companies Act 2013 and Rules made thereunder with effect from April 1, 2016 for a period of 5 years in the Board Meeting held on March 18, 2016 and the same was resolved by the members of the Company in the Extra-Ordinary General Meeting held on March 21st, 2016.

Change in Designation/ Resignation of Director

- Ms. Geeta Goti's designation was changed from Independent Director to Executive Director of the Company with effect from April 1, 2016, in the Board Meeting held on March 18, 2016 and the same was regularized by the members of the Company in the Extra-Ordinary General Meeting held on March 21st, 2016.
- Mr. Diwaker Singh was appointed as Independent Director of the Company pursuant to the provisions of the Companies Act 2013 and Rules made thereunder with effect from the date of tendering of his DIN to the Company in the Board Meeting held on March 18, 2016 and the same was regularized by the members of the Company in the Extra-Ordinary General Meeting held on March 21st, 2016. As Mr. Diwaker Singh was unable to tender his DIN to the Company his appointment was nullified in the Board meeting held on April 19, 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, Mr. Francis Paul, was appointed as Chief Financial Officer of the Company with effect from 6th August, 2015.

- 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. Harshita Jain was appointed as Company Secretary of the Company with effect from 6th August, 2015.

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 is given in **Annexure- I** .

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. Nina Elizabeth Woodard	Member
Mr. Atal Malviya	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. Sally G Kollian
Ms. Geeta Goti
Ms. Harshita Jain

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, were appointed as Statutory Auditors of the Company in the Extra-Ordinary General Meeting held on 28/11/2015 to hold office until the conclusion of the upcoming Annual General Meeting. It has been recommended to re-appoint M/s. JBRK & Co., Chartered Accountants as Statutory Auditors of the Company until the conclusion of the forthcoming sixth Annual General Meeting i.e. upcoming sixteenth Annual General Meeting of the Company, 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

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 11th 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 2016.

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 and is enclosed as **Annexure - II.**

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. Husys USA LLC

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. 27.24 Lakhs and Ms. Gundlapally Praveena of Rs. 11.26 Lakhs as on the date March 31, 2016, the whole amount is repaid on 20.05.2016.

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 **Annexure - I** to the 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, 2016 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 ITP-EMERGE Platform of National Stock Exchange at Mumbai. The Company confirms that it shall pay Annual Listing Fees due to the National Stock Exchange for the year 2016-17.

34. Corporate Governance

Your Company has been practicing the principles of good corporate governance. A detailed report on corporate governance is available as a separate **Annexure-III** of this 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 as **Annexure - VI** to this 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, 2016 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.

B. 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 Rupees)

Particulars	2015-2016	2014-2015
Foreign Exchange Earnings	10,84,36,572	5,97,16,687
Foreign Exchange Outgo	3,97,787	37,68,664

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 2016-17. 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 as **Annexure - IV** 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 as **Annexure - V** in the current Annual Report.

42. Post Balance Sheet Events

- The Company has applied for de-listing from the ITP-EMERGE Platform of National Stock Exchange vide letter dated April 25, 2016
- The Company is in the process of migrating to the EMERGE (SME) Platform of National Stock Exchange and shall be going for the Initial Public offer on.
- Mr. Atal Malviya was appointed as Independent Director of the Company pursuant to the provisions of the Companies Act 2013 and Rules made thereunder in the Board Meeting held on August 6, 2015.

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

	Sd/-	Sd/-
	Gundlapally Ramalinga Reddy	**Gundlapally Praveena**
Date: 25/05/2016	**Managing Director**	**Whole-Time Director**
Place: Hyderabad	**DIN: 00559079**	**DIN: 00559136**

ANNEXURE-I

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	6.12:1
Ms. Gundlapally Praveena	1.94:1

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	Nil
Ms. Gundlapally Praveena	Nil
Mr. Francis Paul	Nil
Ms. Harshita Jain	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, 2016, and the median remuneration of the cost-to-the Company of the Husys Consulting as on March 31, 2015.

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

The total number of Husys't as on March 31, 2016 was 142, and as on March 31, 2015 was 139.

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

The increase in Company revenue for the Financial Year 2015-16 over 2014-15, was 34% and the average increase given to employees was 32%. 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 2014- 15 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 1.46% of revenue and 47.22% 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	2016	2015
Share price as at March 31	70.00	12.25
No of equity shares	16,73,250	12,60,000
PE ratio	26.72	6.41
Market capitalization	11,71,27,500	1,54,35,000

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 2015-16 is as follows

Name of the Director	% of revenue	% of PAT
Mr. Gundlapally Ramalinga Reddy	0.95	30.73
Ms. Gundlapally Praveena	0.52	16.49

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.

ANNEXURE - II

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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

To
The Members
Husys Consulting Limited
1-8-505/E/D/A, Husys House,
Prakash Nagar, 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 March 31, 2016 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 March 31, 2016 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, 1992;

   d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   f) 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 28th October 2014 - ***Not applicable to the Company during the Audit Period;***

   g) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -***Not applicable to the Company during the Audit Period;***

i) 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 - ***Not applicable to the Company during the Audit Period;***

j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - ***Not applicable to the Company during the Audit Period;*** and

k) 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.

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. Converted its status from Private Limited Company to Public Limited Company.

ii. Listed its securities on the Emerge Institutional Trading Platform of NSE India Ltd.

For and behalf of R & A Associates
Company Secretaries

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

Place: Hyderabad

Date: 16/06/2016

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

"Annexure – A"

To
The Members
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 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. Where ever 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 and Behalf of R & A Associates
Company Secretaries

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

Place: Hyderabad
Date: 16/06/2016

ANNEXURE - III

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 Five (5), out of which three (3) members are Non-Executive Directors constituting more than 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 31 March, 2016

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	0	0
Ms. Gundlapally Praveena	00559136	0	0	0	1
Independent Directors					
Ms. Geeta Goti	06866598	1	0	1	2
Ms. Nina Elizabeth Woodard	00754603	1		0	3
Mr. Biju Varkkey	01298281	1	0	2	3

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 five members, three of whom are Executive or Whole-time Directors (ED) and three IDs including three Woman Director. The number of NEDs is more than fifty per cent of the total number of 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 31 March, 2016

Name	Fixed Salary			Comm-ission	Sitting Fees	Total Compen-sation	No. of Equity Shares held
	Basic	Perquisites/ Allowances	Total Fixed Salary				
Executive Directors							
Mr. Gundlapally Ramalinga Reddy	4,71,768	7,07,640	11,79,408	-	-	11,79,408	9,81,385
Ms. Gundlapally Praveena	2,53,224	3,79,848	6,33,072	-	-	6,33,072	6,44,000
Independent Directors							
Ms. Geeta Goti	-	-	-	-	30,000	30,000	0
Ms. Nina Elizabeth Woodard	-	-	-	-	20,000	20,000	0
Mr. Biju Varkkey	-	-	-	-	15,000	15,000	0

Notes:

None of the Directors hold stock options as on 31 March, 2016. 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.

Seven Board meetings were held during the year ended 31 March, 2016 on are 5th June 2015, 2nd July 2015, 6th August 2015, 20th August 2015, 14th November 2015, 31st December 2015 and 18th March 2016. The gap between no two Board meetings exceeded one hundred and twenty days.

Attendance of Directors for the year ended 31 March, 2015

Name of the Director	Category	No. of Meetings Attended
Mr. Gundlapally Ramalinga Reddy	Executive Directors	7
Ms. Gundlapally Praveena	Executive Directors	7
Ms. Geeta Goti	Independent Directors	7
Ms. Nina Elizabeth Woodard	Independent Directors	6
Mr. Biju Varkkey	Independent Directors	3

Note: Mr. Biju Varkkey was appointed as Independent Director with effect from 6 August, 2015.

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.

Two meetings of the Committee were held during the year ended 31 March, 2016 on 20 August, 2015 and 13 November, 2015

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	2
Mr. Biju Varkkey	Non- Executive & Independent Directors	2
Ms. Gundlapally Praveena	Executive Directors	2

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on 6 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 meetings of the Committee were held during the year ended 31 March, 2016 on 14 March, 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	1
Mr. Biju Varkkey	Non- Executive & Independent Directors	1

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.

Two meeting of the Committee was held during the year on 26 October, 2015 and 29 December, 2015.

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	2
Ms. Nina Elizabeth Woodard	Non- Executive & Independent Directors	1
Mr. Biju Varkkey	Non- Executive & Independent Directors	1

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.

The details of complaints received and resolved during the Financial Year ended 31 March, 2015 are given in the table below. The complaints relate to non-receipt of annual report, dividend, share transfers, etc.

Opening as on 1 April, 2015	NIL
Received during the year	NIL
Resolved during the year	NIL
Closing as on 31 March, 2016	NIL

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.

Three meeting of the Committee was held during the year on 25 September, 2015, 18 January, 2016 and 3 February, 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. Gundlapally Ramalinga Reddy	Executive Director	3
Mr. Gundlapally Praveena	Executive Director	3
Mr. Francis Paul	Key Managerial Personnel	3

SHAREHOLDERS

Disclosures regarding the appointment or re-appointment of Directors

As per the Companies Act, 2013, one-third of the Non-Executive Directors retire by rotation and, if eligible, seek re-appointment at the AGM of shareholders. Ms. Geeta Goti 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. The Board has recommended that Mr. Atal Malviya be appointed as an Independent Director of the Company with effect from 25 May, 2016, subject to shareholders' approval.

The detailed profiles of these Directors and particulars of experience, attributes or skills that qualify the candidates for Board membership are provided in the Notice convening the AGM.

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 20 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.	1667535	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	22 June, 2016
Time	4:00 PM (IST)
Venue	Husys House, # 1-8-505/E/D/A, Prakash Nagar, Begumpet, Hyderabad – 500 016, Telangana, India.
Financial Year	2015-16

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 harshita.j@husys.net

LITIGATION RELATING TO THE Company

Tax Proceedings involving our Company:

- Our Company has received the Income Tax Assessment order dated March 14, 2016 for A.Y. 2013-14 in which the Assessing Officer has disallowed the expenses of Rs. 6,42,881 resulting into additional tax liability of Rs. 1,98,650 for which the Company has decided not to go for an appeal and pay the additional tax liability. Further notice U/s 274 read with Section 271(1) (c) of the Income Tax act, 1961 has been issued by the department regarding penalty for non-disclosure. The Company has filed its reply dated April 30, 2016 and decision is awaited.

- The Company has received service tax notice dated February 16, 2016 for default of Rs. 6,62,362 for the period April 2014 to March 2015 against which the Company has filed reply on February 25, 2016.

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	HUSYS

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)

Month	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
March, 2015	70	70	29,000

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.net

Mumbai Branch Office:

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

Bangalore Branch Office:

512,1st Floor,16th Cross
Indira Nagar II Stage,
Bangalore-560038
Phone : +91-99643 12637
Email :reach@husys.net

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.net
Website: www.husys.net

Corporate Identity Number - U74140TG2005PLC047222

Name, designation & address of Compliance Officer:

Ms. Harshita Jain, Company Secretary
Husys House, # 1-8-505/E/D/A,
Prakash Nagar, Begumpet, Hyderabad – 500 016.
Telangana, India.
Tel.: 9553500085
E-mail: harshita.j@husys.net

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
E-mail: paul.f@husys.net

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.
Tel.: (022) 2499 4200; Fax: (022) 2497 6351
E-mail: info@nsdl.co.in
Website: www.nsdl.co.in

Central Depository Services (India) Limited

PhirozeJeejeebhoy Towers, 17th Floor,
Dalal Street, Mumbai-400 001.
Tel.: (022) 2272 3333;
Toll free: 1800-200-5533
Fax: (022) 2272 3199
E-mail: helpdesk@cdslindia.com
Website: www.cdslindia.com

ANNEXURE- IV

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): U74140TG2005PLC047222
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.net
5. E-mail id: corp.affairs@husys.net
6. Financial Year reported: 2015-2016
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 (Provide details of major 5):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
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): 16732500
2. Total Turnover (Rs): 12,44,87,660
3. Total profit after taxes (Rs): 38,38,274
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: 9848028582
      e. E-mail id: gr@husys.net

   b) Details of the BR head

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.net

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	N.A	Y	Y	N	N	Y	N	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	N.A	Y	Y	N	N	Y	N	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	N.A	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	N.A	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	N.A	Y	Y	N	N	Y	N	Y
6	Indicate the link for the policy to be viewed online?	http://husys.net/corporate-governance/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	N.A	Y	Y	N	N	Y	N	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	N.A	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	N.A	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	N.A	Y	Y	N	N	Y	N	Y

b) 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

a) 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

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
This report shall be the first BR Report of the Company.

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: 142
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 92
3. Please indicate the Number of permanent women employees: 24
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

8. 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

ANNEXURE- V

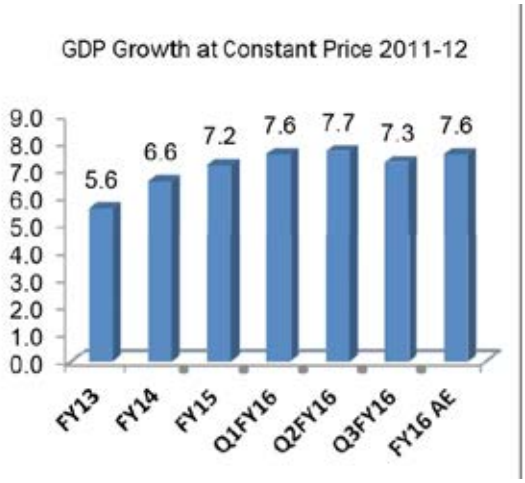
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

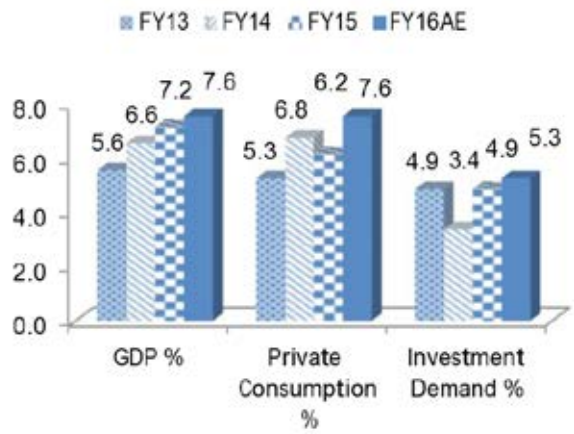
OUR INDUSTRY

Overview of India Economy

India, a South Asian nation, is the seventh-largest country by area, the second-most populous country with over 1.25 billion people, and the most populous democracy in the world. India is the fourth largest economy in the world in terms of purchasing power parity (PPP). Gross Domestic GDP of the country for the year 2014-2015 stood at INR 106.6 trillion (US$ 1.60 trillion) as compared to INR 99.21 trillion (UD$ 1.49 trillion) in 2013-14. India's economy has witnessed a significant economic growth in the recent past, growing by 7.2 % in 2015 as against 6.6 % in 2014. India is set to become the world's fastest-growing major economy by 2016 ahead of China, the International Monetary Fund (IMF) said in its recent latest forecast. Service sector contributes 65% to the GDP were as Industry and Agriculture shares the pie with 18% and 17% respectively. Data released by the Central Statistics Office projected a growth of 7.6% in 2015-16 against the government's more modest expectation of 7-7.5% growth. This despite growth decelerating to 7.3% in the quarter ended December from 7.7% in the previous quarter.

Source: CMIE, IBEF, Asian Development Bank, MOSPI



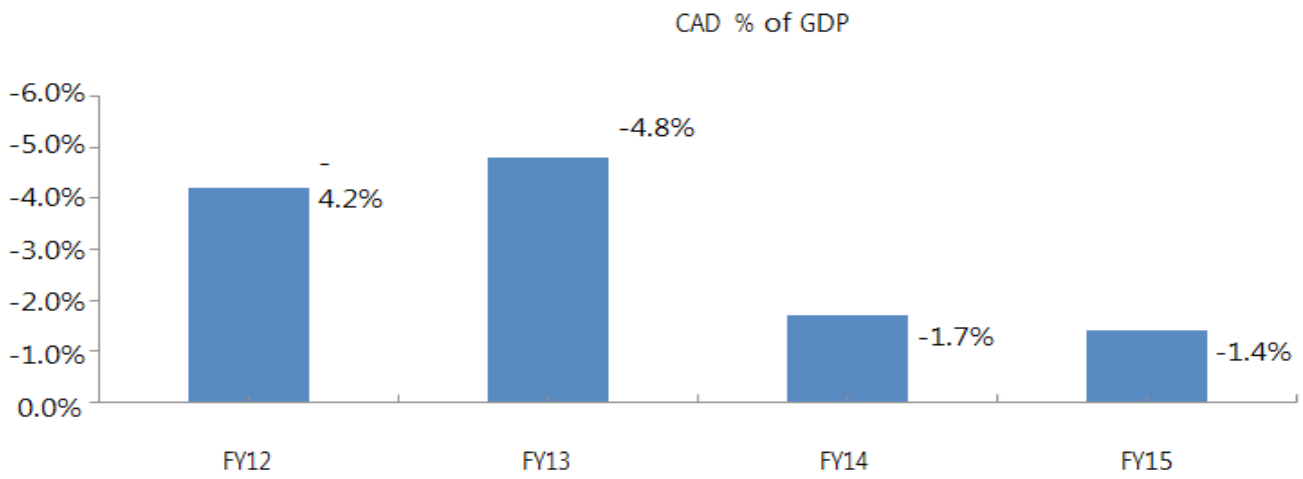


Source: MOSPI, CSO, Base year 2011-12

As per the advance estimates of Gross Domestic Product (GDP) released by the Central Statistics Office (CSO) on February 8, 2016, the growth rate of GDP at constant (2011-12) market prices for FY 2015-16 is estimated to be 7.6 % as compared to the growth of 7.2 % in FY 2014-15. Growth rate for the third quarter (Q3) (October- December) of FY 2015-16 is estimated at 7.3 % as compared to the growth of 7.4 % in second quarter (Q2) of FY 2015-16, and 7 % in first quarter (Q1) of FY 2015-16.

Current Account Deficit

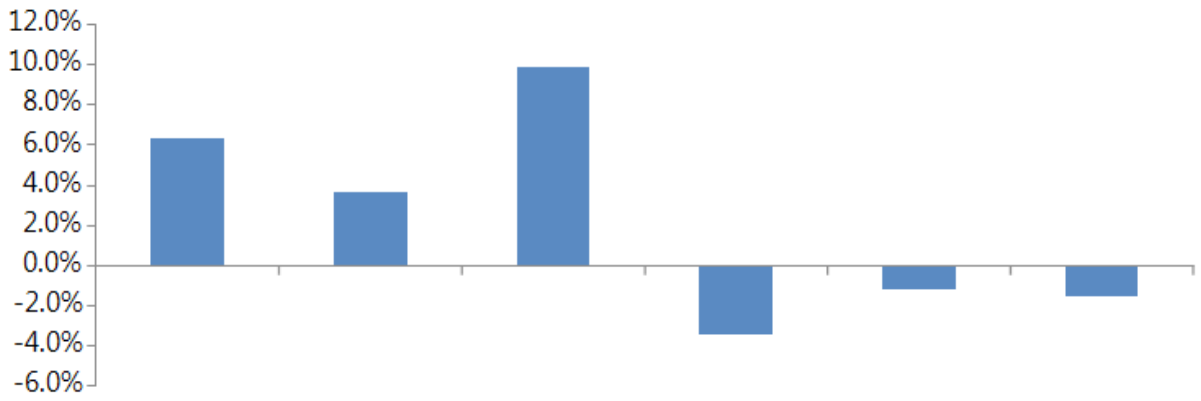
In 2014-15, current account deficit stood at $27.9 billion, or 1.4% of GDP. In 2013-14 it was at $32.4 billion (1.7% of GDP) and in 2012-13 at $88.1 billion (4.7 % of GDP). India's current account deficit (CAD) narrowed to $8.2 billion (1.6 % of gross domestic product) in the second quarter of FY2016 from $10.9 billion (2.2 % of GDP) in the year-ago quarter. The contraction in CAD in the September quarter was primarily on account of lower trade deficit ($37.4 billion) compared to $39.7 billion in the same quarter of 2014-15. For the April- September 2015 period, CAD declined to $14.3 billion (1.4 % of GDP) from 18.4 billion (1.8 % of GDP) during the same period in FY15. For the first half of 2015-16, BoP remained in the positive territory as there was an accretion of $10.6 billion to foreign exchange reserves compared with $18.1 billion in the year-ago period.



Index of Industrial Production

Factory/industrial output contracted for the third month in a row in January 2016, indicating a slow growth in the country. The factory output data, popularly known the index of industrial production (IIP), for the month of January 2016 is 1.5% lower as compared to that of January 2015, said the Central Statistics Office (CSO) of the Ministry of Statistics and Programme Implementation. IIP for the months of Jan 2016 and December 2015 too had declined to 1.5% and 1.2% respectively, over the same corresponding months last year.

Of the three sectors which form the IIP, mining and electricity grew by 1.2% and 6.6%, respectively, while manufacturing, with a weight-age of 75 %, saw a slump by 2.8% year-over-year, pulling down the entire index. Ten out of the twenty-two industries in the manufacturing sector have shown a negative growth during the month of January 2016 as compared to the corresponding month of the previous year.



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. FDI inflows soared by 24.5 % to US$ 44.9 billion during FY2015, as compared to US$ 36.0 billion in FY 2014, according to Department of Industrial Policy and Promotion (DIPP) data. According to Department of Industrial Policy and Promotion (DIPP), the total FDI investments India received in April-December period of 2015 was US$ 40.82 million, indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results.

Data for April-December, 2015 indicates computer hardware and software segment attracted the highest FDI equity inflow of US$ 5.31 billion, followed by services sector US$ 4.26 and trading business US$ 2.72 billion.

FII's net investments in Indian equities and debt are set to touch a record this financial year, backed by expectations of an economic recovery, falling interest rates and improving earnings outlook. FIIs have invested a net of US$ 43.5 billion so far in 2014-15 expected to be their highest investment compared to others years. Of this, a huge amount US$ 26.3 billion was invested in debt and it is their record investment in the asset class, while equities absorbed US$ 17.2 billion.

Source: IBEF

Key Economic Variables

Particulars	FY13	FY14	FY15	FY16E
GDP %	5.6	6.6	7.2	7.6
GVA Growth Rate (%)	5.4	6.3	7.1	7.3
Export Growth (%)	-1.8	4.7	-1.3	-17.6 e
Import Growth (%)	0.3	-8.3	-0.5	-15.5 e
Current Account Balance % to GDP	-4.8	-1.7	-1.3	1.4e
Inflation – WPI #	7.4	6	2	-2.8e
Inflation- CPI	10.2	9.5	5.9	4.9e

Source http://indiabudget.nic.in Volume 1

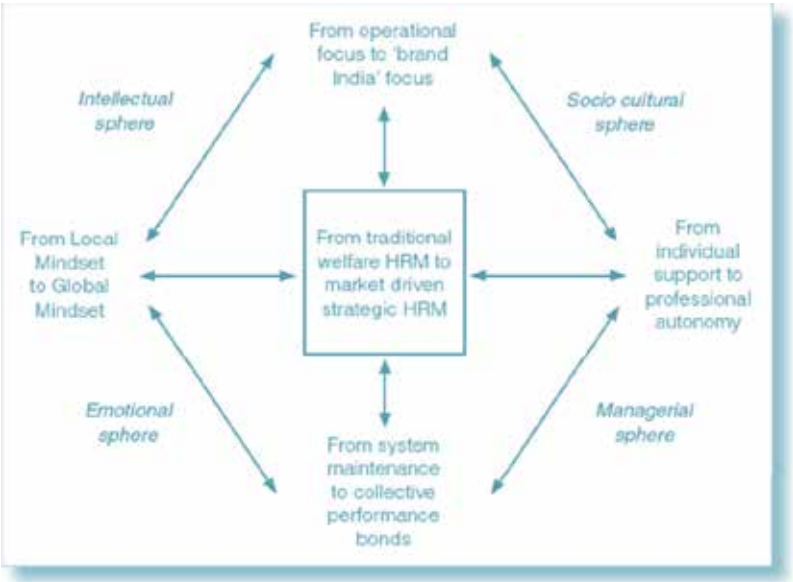
Source: RBI, DIPP

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. And 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 bubble 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 organisations, 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 an 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 behaviours. And when India embraced liberalisation 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 biotechnology (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 figure there are four external spheres of intervention for HRM professionals and these spheres are integrated in a complex array within organisational settings. The intellectual sphere, which emphasises the mindset transaction in work organisations, has been significantly impacted by the forces of globalisation. 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 globalisation, 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 favourable 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 reconfiguring 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 entry 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 vary 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 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.

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.

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.

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.

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 solutions such as in infrastructure services or engineering services. We constantly scan the environment for emerging technology areas and develop offerings of value in the selected areas.

(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.

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 Offshore Leverage: The Company is increasing its efforts to enhance revenues from its offshore and global delivery centers. This helps the Company to increase its 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 consulting organization, 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 31, 2016 and 2015.

Overview of Revenue & Expenditure

Revenues

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

- Domestic Sale
- Export Sale.

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Income		
Revenue from Operations	1,241.35	925.14
Increase/Decrease in %	34.18%	77.70%
Other Income	3.53	0.84
Increase/Decrease in %	320.24%	(88.07)%
Total Revenue	**1,244.88**	**925.98**

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

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Revenue from Operation		
Sales of Services-		
Domestic Services	156.98	327.97
Export Services	1,084.37	597.17
Total Revenue from Operation	**1,241.35**	**925.14**

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

Particulars	As at March 31, 2016	As at March 31, 2015
Revenue from Operation		
Sales of Services-		
Domestic Services	12.65%	35.45%
Export Services	87.35%	64.55%
Total Revenue from Operation	**100.00%**	**100.00%**

Other Income

Other operating revenue consists of Interest and miscellaneous income.

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest	-	-
Miscellaneous income	3.53	0.84
Total Other Income	**3.53**	**0.84**

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, 2016	As at March 31, 2015
Interest	0.00%	0.00%
Miscellaneous income	100.00%	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, 2016	As at March 31, 2015
Unsecured and Considered Good		
Outstanding for a period not exceeding six months	26.31	18.71
As a % of total Trade receivables	46.01%	34.21%
Outstanding for a period exceeding six months	30.87	35.98
As a % of total Trade receivables	53.99%	65.79%
Less: Provision for doubtful debts	Nil	Nil
As a % of total Trade receivables	0.00%	0.00%
Total –Trade receivables	**57.18**	**54.69**
Avg. Trade receivables	55.94	73.26
Trade receivables Turnover Ratio	21.71	16.92
Average Collection Period (in days)	16.81	21.58

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 Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
INCOME		
Revenue from Operations		
Revenue	1,241.35	925.14
Increase/Decrease in %	34.18%	77.70%
Other Income	3.53	0.84
Increase/Decrease in %	320.24%	(88.07)%
Total Revenue	**1,244.88**	**925.98**
EXPENDITURE		
Employee benefit expenses	1,061.74	724.81
As a % of Total Revenue	85.29%	78.27%
Finance costs	14.22	7.82
As a % of Total Revenue	1.14%	0.84%
Depreciation and amortization expense	29.15	10.98
As a % of Total Revenue	2.34%	1.19%
Other expenses	84.23	147.53
As a % of Total Revenue	6.77%	15.93%
Total Expenditure	**1,189.34**	**891.14**
As a % of Total Revenue	95.54%	96.24%
Profit before prior period items	**55.54**	**34.84**
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	**55.54**	**34.84**
PBT Margin	0.04%	0.04%
Tax expense :		
(i) Current tax Provision	22.46	7.67
(ii) Deferred Tax Provision/(Assets)	(5.30)	3.10
Total	**17.16**	**10.77**
As a % of Total Revenue	1.38%	1.16%
Profit for the year	**38.38**	**24.07**
PAT Margin	**3.09%**	**2.60%**

FISCAL YEAR ENDED MARCH 31, 2016 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2015

Income

Total revenue increased to Rs. 1,244.88 Lacs or 34.43% from Rs. 925.98 lacs in the fiscal year ended March 31, 2016. The revenue has increased due to increase in sales of export services from Company.

Expenditure

Total Expenditure increased by Rs. 298.20 Lacs, or 33.46%, from Rs. 891.14 Lacs in the fiscal year ended March 31, 2015

to Rs. 1,189.34 Lacs in the fiscal year ended March 31, 2016. Overall expenditure has increased mainly due to increase in Employee Benefits Expenses, finance costs, depreciation and amortization expenses which are directly linked to our operations.

Finance Costs

Finance Costs in terms of value and percentage increased by Rs. 6.40 Lacs and 81.84%, from Rs. 7.82 Lacs in the fiscal year ended March 31, 2015 to Rs. 14.22 Lacs in the fiscal year ended March 31, 2016. 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. 336.93 Lacs and 46.48% from Rs. 724.81 Lacs in the fiscal year ended March 31, 2015 to Rs. 1,061.74 Lacs in the fiscal year ended March 31, 2016. 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. 18.17 Lacs or 165.48% from Rs 10.98 Lacs in the fiscal year ended March 31, 2015 to Rs. 29.15 Lacs in the fiscal year ended March 31, 2016. Increase in Depreciation was due to 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. 63.30 Lacs and 42.90%, from Rs. 147.53 Lacs in the fiscal year ended March 31, 2015 to Rs. 84.23 Lacs in the fiscal year ended March 31, 2016. Other expenses decreased mainly due to decrease in Commission and Brokerage charges, Professional & Technical expenses and Misc. Expenses.

Net Profit after Tax and Extraordinary items

Net Profit has increased by Rs. 14.31 Lacs and 59.45% from profit of Rs. 24.07 Lacs in the fiscal year ended March 31, 2015 to profit of Rs. 38.38 Lacs in the fiscal year ended March 31, 2016. 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.

Annexure-VI

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015
[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	U74140TG2005PLC047222
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

SNo.	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 01/04/2015]				No. of Shares held at the end of the year [As on 31/03/2016]				% Change during the year
	Demat	Physical	Total	% of Tot. Shares	Demat	Physical	Total	% of Tot. Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	12,60,000	0	12,60,000	100%	15,82,885	0	15,82,885	94.60%	(5.40%)
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):	12,60,000	0	12,60,000	100%	15,82,885	0	15,82,885	94.60%	(5.40%)
(2) Foreign									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	6,30,000	0	6,30,000	100%	15,82,885	0	15,82,885	94.60%	(5.40%)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0

h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual sh. holders holding nominal sh. capital up to Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	90,365	0	90,365	5.40%	5.40%
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies- D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):	0	0	0	0	90,365	0	90,365	5.40%	5.40%
Total Public Shareholding (B)=(B)(1) + (B)(2)	0	0	0	0	90,365	0	90,365	5.40%	5.40%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	12,60,000	0	12,60,000	100%	16,73,250	0	16,73,250	100%	32.79%

(ii) Shareholding of Promoter-

SN	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	6,16,000	49%	0	9,37,885	56.05%	0	7.05%
2	Ms. Gundlapally Praveena	6,44,000	51%	0	6,44,000	38.49%	0	12.51%
	TOTAL	12,60,000	100%	0	15,81,885	94.54%	0	0

(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	12,60,000	100%	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	4,13,250 shares 31/12/2015: Preferential allotment:	32.79%	16,73,250	100%
At the end of the year	-	-	16,73,250	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 01.04.2015		Increase / Decrease in shareholding		Cumulative Shareholding at end of the year 31.03.2016	
		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	0	0	5,715	-	5,715	0.34%
2.	Venkateshwar Rao Pandurangi	0	0	5,000	-	5,000	0.30%
3.	Naresh Babu Deevi	0	0	3,575	-	3,575	0.21%
4.	M V L Narsimha Murthy	0	0	3,575	-	3,575	0.21%
5.	Gundlapally Venkat Reddy	0	0	1,000	-	1,000	0.06%
6.	T S Vijayaraghavan	0	0	14,500	-	14,500	0.86%
7.	Verghese K Jacob	0	0	14,500	-	14,500	0.86%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Name of Directors/ Key Managerial Personnel	Shareholding at the beginning of the year 01.04.2015		Increase / Decrease in shareholding		Cumulative Shareholding at end of the year 31.03.2016	
		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	6,16,000	49%	4,13,250	-	9,37,885	56.05%
2	Ms. Gundlapally Praveena	6,44,000	51%	-	-	6,44,000	38.49%

(VI) Indebtedness

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

(Amount in Rupees)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,47,38,839	-	-	1,47,38,839
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	**1,47,38,839**	**-**	**-**	**1,47,38,839**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	4,77,540	-	-	4,77,540
Net Change	4,77,540	-	-	4,77,540
Indebtedness at the end of the financial year				
i) Principal Amount	1,42,61,299	-		1,42,61,299
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1,42,61,299**	**-**	**-**	**1,42,61,299**

V. REMUNERATION OF Directors AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rupees)

S.No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Gundlapally Ramalinga Reddy	Ms. Gundlapally Praveena	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,79,408/-	6,33,072/-	18,12,480/-
	(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)	**Rs. 11,79,408/-**	**Rs. 6,33,072/-**	**Rs. 18,12,480/-**

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 Rupees)

S.No.	Particulars of Remuneration	Name of Directors			Total Amount
		Ms. Nina Elizabeth Woodard	Ms. Geeta Goti	Mr. Biju Varkkey*	
1	Independent Directors				
	Fee for attending board committee meetings	20,000	30,000	15,000	65,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	**20,000**	**30,000**	**15,000**	**65,000**
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	20,000	30,000	15,000	65,000
	Total Managerial Remuneration (A+B)				**18,77,480**

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*	CFO*	Total (in Rs)
		Ms. Harshita Jain	Mr. Francis Paul	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,81,753	10,34,000	14,15,753
	(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	**3,81,753**	**10,34,000**	**14,15,753**

Notes:

* Mr. Biju Varkkey has been appointed as Independent Director of the Company with effect from 6th August, 2015.

* Mr. Francis Paul has been appointed as CFO of the Company with effect from 6th August, 2015.

* Ms. Harshita Jain has been appointed as Company Secretary of the Company with effect from 6th August, 2015.

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 31 March 2016, 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 31 March 2016 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 31 March 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2016 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.

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

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

Hyderabad
Date: 19-04-2016

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 31 March 2016, 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 31 March 2016 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: 19-04-2016

BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note	As at March 31, 2016 (Amount in Rs)	As at March 31, 2015 (Amount in Rs)
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2.1	16,732,500	12,600,000
(b) Reserves and Surplus	2.2	7,783,600	2,837,285
		24,515,560	**15,437,285**
2. Share Application Money Received		**-**	**-**
3. Non-current Liabilities			
(a) Deferred Tax Liabilities (Net)	2.3	365,916	895,419
(b) Long-term Provisions	2.4	-	-
		365,916	**895,419**
4. Current Liabilities			
(a) Short-term Borrowings	2.5	14,261,299	14,738,839
(b) Trade Payables	2.6	2,460,710	2,986,411
(c) Other Current Liabilities	2.7	3,688,900	8,487,173
(d) Short-term Provisions	2.8	5,564,818	2,782,644
		25,975,727	**28,995,067**
Total		**50,857,203**	**45,327,771**
II. ASSETS			
1. Non-Current Assets			
(a) **Fixed Assets**	2.9		
(i) Tangible Assets		5,149,301	8,064,164
(ii) Capital Work-in-Progress		25,134,541	21,014,761
(b) Non-current Investments		-	-
(c) Long-term Loans & Advances	2.10	-	-
		30,283,842	**29,078,925**
2. Current Assets			
(a) Inventories		-	-
(b) Trade Receivables	2.11	5,718,579	5,468,909
(c) Cash and Cash equivalents	2.12	2,630,079	559,885
(d) Short-term Loans and Advances	2.13	12,224,704	10,220,053
		20,573,362	**16,248,847**
Total		**50,857,203**	**45,327,771**

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
(FORMERLY HUSYS CONSULTING PRIVATE LIMITED)

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(CA. Sai Bhaskar. K)	Francis Paul	Harshita Jain	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: 19.04.2016

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED MARCH 31, 2016

Particulars	Note	As at March 31, 2016 (Amount in Rs)	As at March 31, 2015 (Amount in Rs)
I Revenue from Operations	2.14	124,135,013	92,513,761
II Other Income	2.15	352,647	83,788
III Total (I + II)		**124,487660**	**92,597,549**
IV EXPENSES			
Employee Benefits Expenses	2.16	104,265,967	70,637,997
Administration & Other Expenses	2.17	10,330,047	16,596,215
Financial Expenses	2.18	1,422,117	781,784
Depreciation	2.9	2,914,862	1,097,995
Total		**118,932,993**	**89,113,991**
V Profit/(loss) before tax and prior period items		**5,554,667**	**3,483,558**
VI Prior period Adjustments (Net)		-	-
VII Profit / (Loss) before Tax		**5,554,667**	**3,483,558**
VIII Tax Expenses			
- Current Tax		2,245,895	766,741
- Deferred Tax		(529,503)	309,679
IX Profit / (Loss) after Tax		**3,838,274**	**2,407,138**
Profit Brought forward from last year		-	-
Amount available for Appropriations		**3,838,274**	**2,407,138**
Interim Dividend		**-**	-
Tax on Dividend		**-**	-
Net Profit Transferred to Balance Sheet		**3,838,274**	**2,407,138**

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
(FORMERLY HUSYS CONSULTING PRIVATE LIMITED)

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(CA. Sai Bhaskar. K)	Francis Paul	Harshita Jain	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: 19.04.2016

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note	As at March 31, 2016 (Amount in Rs)	As at March 31, 2015 (Amount in Rs)
A. Cash flow from Operating activities			
Profit after tax		**3,838,274**	**2,407,138**
Adjustment for :			
Depreciation and amortisation		2,914,862	1,097,995
Gain)/loss on sale of fixed asset		-	-
Issue of Bonus Shares		-	-
Interest expenses		1,422,117	781,784
Interest income		(68,365)	(30,951)
Provision for doubtful debts		-	-
Credit balances written off		-	-
Provision no longer written back		-	-
Debts and advances written off		-	-
Provision for Deferred tax asset/ Liability		(529,503)	309,679
Operating profit before working capital changes		**7,577,386**	**4,565,645**
Movements in working capital			
(Decrease) /Increase in other current liabilities		(4,798,273)	2,329,150
(Decrease) /Increase in trade payables		(525,700)	58,238
(Decrease) /Increase in short Borrowings		(477,540)	4,129,204
(Decrease) /Increase in short term provisions		5,028,070	686,421
(Increase) / Decrease in inventories		-	-
(Increase) / Decrease in trade receivables		(249,670)	3,713,953
(Increase) / Decrease in short-term loans and advances		(2,004,651)	(3,361,353)
(Increase) / Decrease in other current assets		-	-
		(3,027,765)	7,555,613
Cash generated from / (used in) operations		4,549,621	12,121,259
Income tax received / paid (net of refund)		2,245,895	766,741
Net cash flow from / (used in) operating activities	**(A)**	**2,303,726**	**11,354,518**
B. Cash flow from Investing activities			
Purchase of tangible Assets		**(4,119,780)**	**(12,364,890)**
Proceeds from sale of tangible Assets		-	-
Net cash flow from /(used in) investing activities	**(B)**	**(4,119,780)**	**(12,364,890)**

C. Cash flow from Financing activities			
Increase in Share Capital		4,132,500	-
Increase in securities premium account		1,107,500	-
(Decrease) / Increase in other long-term liabilities		-	-
(Decrease)/ Increase in Share Application Money		-	-
Interest Income		68,365	30,951
Interest paid		(1,422,117)	(781,784)
Net cash flow from /(used in) financing activities	**(C)**	**3,886,248**	**(750,833)**
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)**	**2,070,193**	**(1,761,205)**
Cash and cash equivalents as at March 31, 2015		**559,885**	**2,321,090**
Cash and cash equivalents as at March 31, 2016		**2,630,078**	**559,885**
Components of cash and cash equivalents			
Cash on hand		4,105	3,682
With banks - on current accounts		2,625,974	556,203
With banks - Fixed Deposits		-	
Cash and Bank balance		**2,630,079**	**559,885**

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
(FORMERLY HUSYS CONSULTING PRIVATE LIMITED)

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(CA. Sai Bhaskar. K)	Francis Paul	Harshita Jain	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: 19.04.2016

NOTES TO ACCOUNTS

Particulars	As at March 31, 2016 (Amount in Rs)	As at March 31, 2015 (Amount in Rs)
2.1 Share Capital		
Authorised: 50,00,000 (Previous year: 25,00,000) Equity Shares of Rs.10/- each	50,000,000	25,000,000
	50,000,000	**25,000,000**
Issued, Subscribed and Paid up: 16,73,250 (Previous year: 12,60,000) Equity Shares of Rs 10/- each fully paid up	16,732,500	12,600,000
	16,732,500	**12,600,000**

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, 2016		As at March 31, 2015	
	No of shares	%	No of shares	%
Gundlapally Ramalinga Reddy	981,385	59	616,000	49
Gundlapally Praveena	644,000	38	644,000	51
G. Venkat Reddy	1,000	0		
Lakshmi Narsimha Rao Parmi	5,715	0		
M V L Narshimla Murthy	3,575	0		
Naresh Babu Deevi	3,575	0		
Venkateshwar Rao Pandurangi	5,000	0		
Jacob K Verghese	14,500	1		
TS Vijayaraghavan	14,500	1		
	1,673,250	**100**	**1,260,000**	**100**
Reconciliation of the number of shares outstanding				
Equity Shares	**Number**	**Value**	**Number**	**Value**
Shares outstanding at the beginning of the year	1,260,000	12,600,000	1,260,000	12,600,000
Shares issued during the year	413,250	4,132,500	-	-
Fully paid - up shares	1,673,250	16,732,500	1,260,000	12,600,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the year end	1,673,250	16,732,500	1,260,000	12,600,000
2.2 Reserves & Surplus	(Amount in Rupees)		(Amount in Rupees)	
General Reserve				
Opening balance		**2,837,285**		**6,730,147**
Add: Amount transferred from statement of profit and loss		3,838,274		2,407,138
Less: Issue of Bonus Shares		-		(6,300,000)
Add: Share Premium		1,107,500		
		7,783,060		**2,837,285**
Non - Current liabilities				
2.3 Deferred Tax liability (net)				
Deferred tax liability comprises of following:				
Opening Balance		895,419		585,740
- Difference between tax depreciation and book depreciation		(529,503)		309,679
		365,916		**895,419**

Deferred tax assets comprise of the following:		
- On account of unabsorbed depreciation	-	-
- On account of provisions	-	-
	-	-
Deferred Tax liability (net)	**365,916**	**895,419**
2.4 Long-term Provisions		
Provisions	-	-
		-
Current liabilities		
2.5 Short-term Borrowings		
Clean Overdraft from Bank of India	14,261,299	14,738,839
	14,261,299	**14,738,839**

2.6 Trade Payables		
- Micro, Small and Medium Enterprises	-	-
- Others	2,460,710	2,986,411
	2,460,710	**2,986,411**
2.7 Other Current Liabilities		
Other Current Liabilities	483,438	4,290,000
Statutory Liabilities	3,205,462	4,197,173
	3,688,900	**8,487,173**
2.8 Short-term Provisions		
Provision for Expenses	2,664,958	2,128,679
Provision for Income Tax payable	2,899,85	653,965
	5,564,818	**2,782,644**

Note 2.9 - Fixed Assets

Assets	Gross Block					Accumulated Depreciation				Net Book Value	
	Rate of Dep	As at 01.04.2015	Additions	Dispos-als	As at 31.03.2016	Up to 31.03.2015	For the period	On disposals	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets											
Computers	31.67%	1,247,861	-	-	1,247,861	739,911	331,202	-	1,071,113	176,748	480,698
Furniture & Fixtures	9.50%	2,324,201	-	-	23,24,201	588,925	443,100	-	1,032,025	1,292,176	15,03,574
Buildings	1.58%	1,197,075	-	-	11,97,075	97,561	(2,793)	-	94,768	1,102,307	11,19,026
Air Conditioner	9.50%	202,486	-	-	2,02,486	43,586	35,932	-	79,518	122,968	96,629
LCD Players	9.50%	25,000	-	-	25,000	12,662	8,713	-	21,375	3,626	13,920
Printer & Scanner	31.67%	7,800	-	-	7,800	3,210	4,200	-	7,410	390	5,084
Mobile	9.50%	123,321	-	-	1,23,321	25,470	21,377	-	46,847	76,474	91,639
Vehicles	11.88%	2,395,185	-	-	23,95,185	724,969	568,931	-	1,293,900	1,101,285	8,43,167
Micro-wan	9.50%	5,990	-	-	5,990	1,895	950	-	2,845	3,145	4,474
Electrical - Network Equipment	9.50%	162,150	-	-	1,62,150	9,644	20,214	-	29,858	132,292	70,258
Inverter & Electrical Equipments	9.50%	158,829	-	-	1,58,829	31,406	26,364	-	57,770	101,058	1,37,477
Total		**7,849,898**	**-**	**-**	**7,849,898**	**2,279,240**	**1,458,190**	**-**	**3,737,430**	**4,112,467**	**4,365,946**
Intangible Assets											
Software	31.67%	3,189,918	-	-	3,189,918	696,412	1,456,672	-	2,153,084	1,036,834	2,969,378
Total		**11,039,816**	**-**	**-**	**11,039,816**	**2,975,652**	**2,914,862**	**-**	**5,890,514**	**5,149,301**	**7,335,324**
Capital Work in Progress		**21,014,761**	**4,119,780**	**-**	**25,134,541**						

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	2,630,742	1,871,385
More Than 6 Months	3,087,837	3,597,524
	5,718,579	5,468,909
Less: Provision for Doubtful Debts	-	-
	5,718,579	5,468,909
Other Debts, Considered Good		
Secured & Considered Good	-	-
Unsecured & Considered Good	-	-
	5,718,579	**9,182,862**
2.12 Cash and Cash equivalents		
Cash on Hand	4,105	3,682
Balances with Scheduled Banks:		
- in Current Accounts	2,625,974	556,203
- in Deposit Accounts	-	-
	2,630,079	**559,885**
2.13 Short-term Loans & Advances		
Unsecured, Considered Good		
Advances to Vendors	4,387,817	2,228,965
Balances with IT authorities	6,844,828	6,599,807
Prepaid Expenses	509,060	378,281
Other current assets	483,000	1,013,000
	12,224,704	**10,220,053**

2.14 Revenue from Operations		
HR Function Outsourcing	7,791,087	8,018,539
Recruitment Fees	1,963,370	2,573,620
HR Consulting	3,548,228	6,316,596
Captive Resource Fee	-	-
Outplacement Services	1,175,738	10,117,573
HR Information System	976,892	544,852
Training Fee	-	186,000
Professional Employer Organisation	108,679,699	64,756,581
	124,135,013	**92,513,761**

2.15 Other Income		
Other than Non-Operating Income		
Other Income	63,207	13,447
Interest on deposit	68,365	30,951
Interest on IT Refund	221,075	39,390
IT Refund	-	-
	352,647	**83,788**
2.16 Employee benefits expense		
Salaries, Wages, Bonus and other allowances	99,568,627	67,772,194
Contribution to Provident Fund and Other Funds	4,492,074	2,694,607
Staff Welfare	205,265	171,196
	104,265,967	**70,637,997**
2.17 Administration and other expenses		
Rent	3,451,861	2,744,782
Rates & Taxes	13,519	14,241
Repairs & maintenance	126,290	106,805
Travelling & Conveyance	642,384	506,515
Communication expenses	383,181	675,026
Legal & Professional fees	118,306	3,912,006
Auditors Remuneration	129,500	65,000
Other Expenses	5,465,006	8,571,840
	10,330,047	**16,596,215**
2.18 Interest & Financial Cost		
Bank Charges	52,160	56,243
Foreign Exchange Fluctuation	115,999	32,766
Interest On Bank Loan - BOI	1,084,413	76,596
Interest on Statutory Payments	64,080	545,506
Interest On Expenses	105,465	70,673
	1,422,117	**781,784**

Significant Accounting Policies and Notes forming part of Account

1. SIGNIFICANT ACCOUNTING POLICIES

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.

Fixed Assets and Depreciation

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.

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.

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.

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.

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.

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.

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.

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:

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.

Auditors' Remuneration:

(Amount in Rupees)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Statutory Audit	50,000	25,000
Tax Audit	20,000	25,000
Tax Re-Presentation	20000	
Total	**90,000**	**50,000**

c. Employee Benefits

(Amount in Rupees)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Employee Benefits	10,54,85,211	7, 06, 37,997
Total	**10,54,85,211**	**7, 06, 37,997**

d. Related Party Transaction

(Amount in Rupees)

Nature of Transaction	31-03-2016	31-03-2015
Remuneration		
Gundlapally Ramalinga Reddy	11,79,408	11,79,408
Gundlapally Praveena	6,33,072	6,33,072
Rent		
Gundlapally Ramalinga Reddy	10,74,384	4,32,000

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 Rupees)

Particulars	31-03-2016	31-03-2015
Income from Export Services	10,84,36,572	5,97,16,687

Note: Equalient to USD 591681, GBP 272, AUD 1456472 & Euros 423 (USD 510474 & AUD 573393)

(ii) Expenditure in Foreign Currency

(Amount in Rupees)

Particulars	31-03-2016	31-03-2015
Commission on Outplacement service	Nil	37,68,664
Membership Fee – CSG	3,97,787	Nil

Note: Equalient to USD 6000 (GBP 42563.80)

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
(FORMERLY HUSYS CONSULTING PRIVATE LIMITED)

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(CA. Sai Bhaskar. K)	Francis Paul	Harshita Jain	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: 19.04.2016

Declaration with respect to Audit Reports with unmodified opinion

Date: 13/06/2016

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: Husys)

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, 2016 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: U74140TG2005PLC047222)

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

ATTENDANCE SLIP FOR 11TH 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 11th Annual General Meeting of the Company held on 22nd day of June, 2016 at 4:00 P.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: U74140TG2005PLC047222)

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

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	U74140TG2005PLC047222
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 11th Annual General Meeting of the Company, to be held on 22nd day of June, 2016 at 4:00 P. 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:

Sl 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. Geeta Goti who retires by rotation			
3	Re-appointment of M/s JBRK & Co, Chartered Accountants as Statutory Auditors			
Special business				
4	To approve powers of the Board U/s 108(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

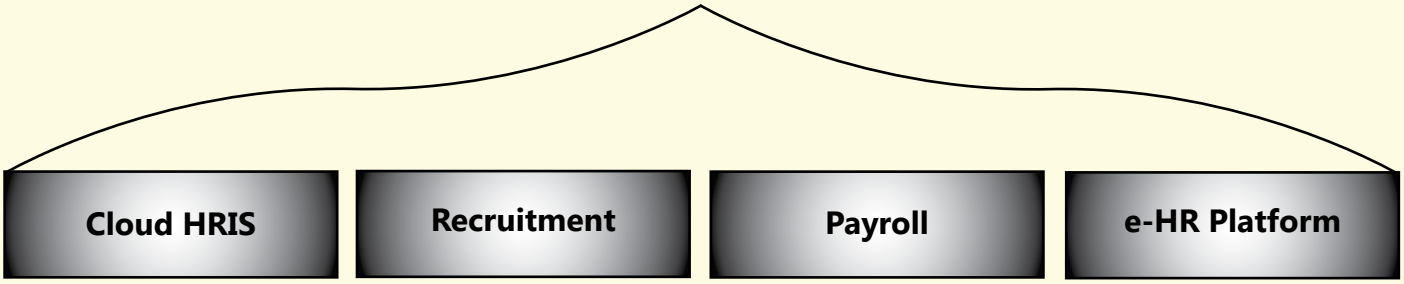
Signed this _____day of_____ 2016.

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.

Win - Win Franchise Revenue Model



HUSYS CONSULTING LIMITED

CIN: U74140TG2005PLC047222

Husys House, 1-8-505/E/D/A, Prakash Nagar, Begumpet,

Hyderabad - 500016, Telangana.

Website: www.husys.net

E-mail: corp.affairs@husys.net