

CADSYS (INDIA) LIMITED
HYDERABAD

BALANCE SHEET AS AT 31.03.2016

Particulars	Note No	As at 31st March,2016	As at 31st March, 2015
		Rs.	Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	1,08,05,000	1,08,05,000
(b) Reserves and surplus	3	17,36,83,191	12,03,26,933
2 Non-current liabilities			
(a) Long-term Borrowings	4	1,57,72,814	2,96,49,373
(b) Deferred Tax Liabilities (Net)	5	32,58,798	28,19,586
(c) Other Long-term Liabilities	6	2,32,094	16,634
(d) Long-term provisions	7	27,22,099	27,22,099
3 Current liabilities			
(a) Short-term Borrowings	8	2,09,94,982	42,24,440
(b) Trade payables	9	5,52,417	23,70,372
(c) Other current liabilities	10	4,28,80,259	3,71,93,194
(d) Short-term provisions	11	78,85,450	1,94,76,070
TOTAL		27,87,87,103	22,96,03,703
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	4,76,52,499	3,83,88,532
(ii) Intangible assets	12	70,836	12,17,658
(b) Non Current Investments	13	1,01,61,689	80,68,712
(c) Long-term loans and advances	14	2,84,47,898	2,15,70,970
2 Current assets			
(a) Trade receivables	15	2,74,90,283	2,26,65,208
(b) Cash and cash equivalents	16	15,76,55,261	13,12,70,013
(c) Short-term loans and advances	17	27,95,805	31,97,100
(d) Other current assets	18	45,12,832	32,25,510
TOTAL		27,87,87,103	22,96,03,703

Significant Accounting policies

1

Notes on Financial Statements

2 to 32

As per our report of even date

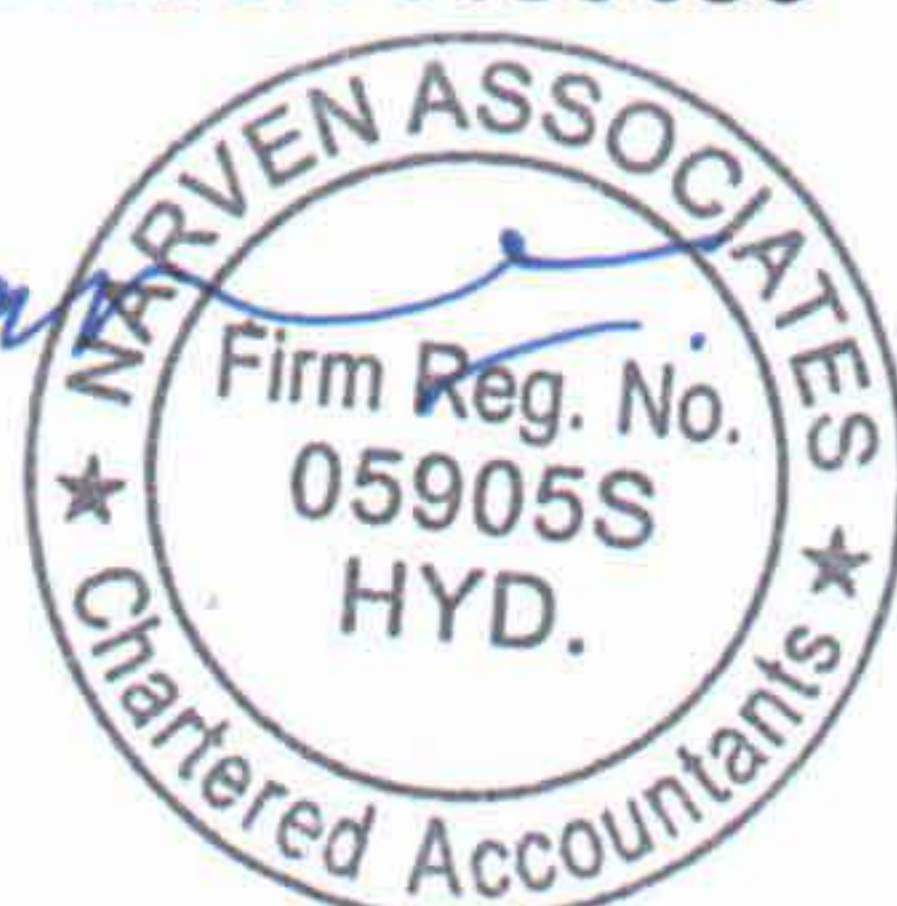
for NARVEN ASSOCIATES

Chartered Accountants

Firm Registration Number: 005905S

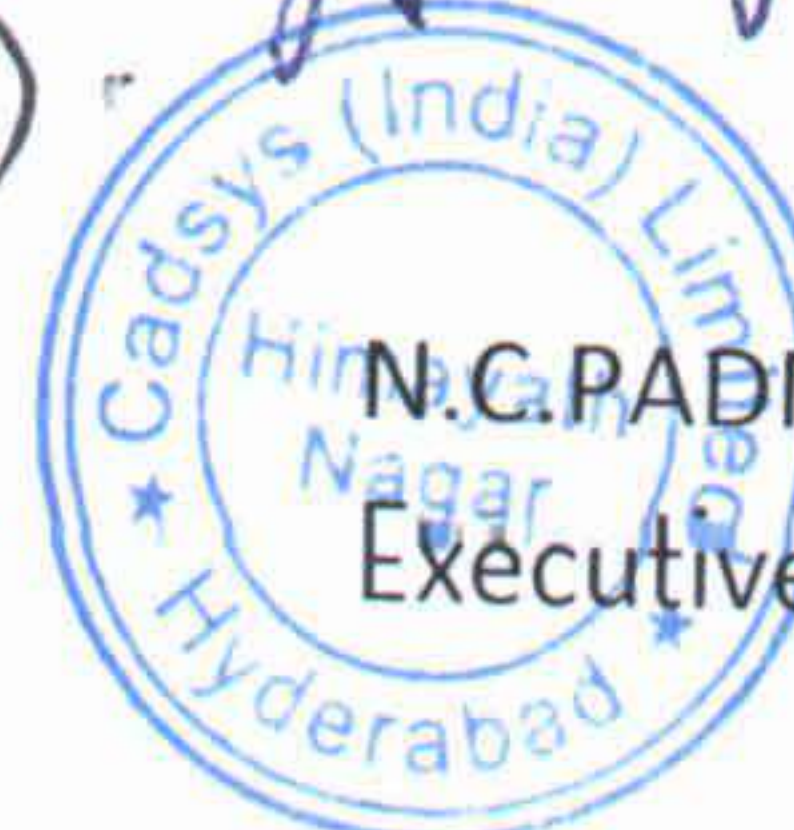
Partner

Place: Hyderabad
02/09/2016



For and on behalf of the Board of Directors

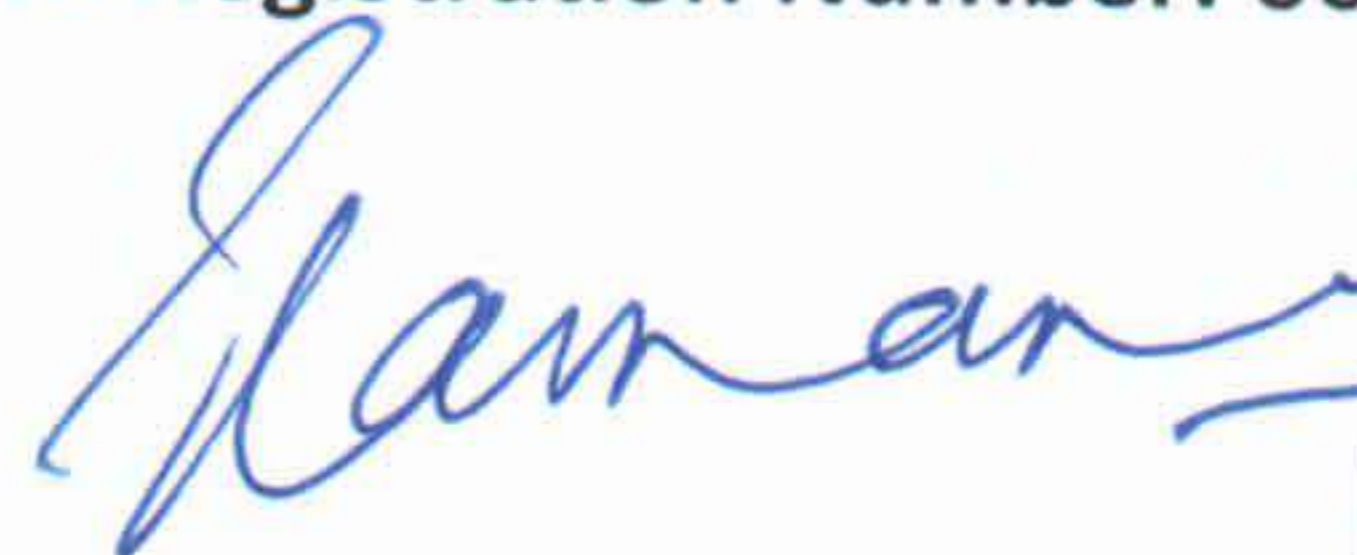




N.C.V.RANGACHARYA
Managing Director



N.C.PADMAJA
Executive Director

CADSYS (INDIA) LIMITED
HYDERABAD

STATEMENT OF PROFIT AND LOSS AS ON 31.03.2016

Particulars	Note No.	For the Period Ended 31st March, 2016	For the Period Ended 31st March, 2015
		Rs.	Rs.
Revenue from operations	19	29,16,51,425	22,28,65,771
Other income	20	2,38,19,423	86,57,892
Total Revenue		31,54,70,848	23,15,23,663
Expenses			
Employee Benefit Expense	21	15,95,64,361	11,04,57,907
Other Operating Expenses	22	5,19,61,137	3,47,85,677
General Expenses	23	30,80,612	18,82,743
Financial costs	24	88,12,011	61,34,002
Depreciation and amortisation expense	12	1,02,17,647	80,68,670
Total Expenses		23,36,35,769	16,13,28,999
Profit / (Loss) before tax		8,18,35,079	7,01,94,664
Tax expense:			
(a) Current tax Expense		2,54,38,682	2,31,37,186
(b) Deferred tax Expense / (Income)		4,39,212	27,51,384
(c) Earlier Year Taxes		-	1,71,755
Profit / (Loss) for the Period		5,59,57,185	4,41,34,339
Significant Accounting policies	1		
Notes on Financial Statements	2 to 32		
<p>As per our report of even date for NARVEN ASSOCIATES Chartered Accountants Firm Registration Number: 005905S</p> <p style="text-align: right;">For and on behalf of the Board of Directors</p>			
  Partner		 N.C.V. RANGACHARYA Managing Director	  N.C. PADMAJA Executive Director
Place: Hyderabad Date: 02/09/2016			

Cadsys (India) Limited

Note 2 Share capital

Particulars	As at 31 st March,2016		As at 31 st March,2015	
	Rs.		Rs.	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised Capital				
Equity shares of INR 10 each with voting rights 36,50,000 Nos of shares including 1,50,000 shares of merged company cogent has been considered(P.Y 35,00,000 shares of Rs. 10 each related to cadsys only)	36,50,000	3,65,00,000	36,50,000	3,65,00,000
(b) Issued ,Subscribed and Fully paid up:				
Equity shares of INR 10 each with voting rights	10,80,500	1,08,05,000	10,80,500	1,08,05,000
Total	10,80,500	1,08,05,000	10,80,500	1,08,05,000

The Details of Shareholders holding more than 5% of total number of shares:

Name Of the Share Holder	Rs.		Rs.	
	Number of shares	% Held	Number of shares	% Held
Padmaja N.C	5,59,800	51.81	5,59,800	51.81
Rangacharya NCV	2,75,100	25.46	2,75,100	25.46
Pushpavathi N.C	1,40,200	12.98	1,40,200	12.98
Total	9,75,100	90	9,75,100	90

The Reconciliation Of the number of shares outstanding is set out below:

Particulars	Rs.		Rs.	
	No.Of.Shares	Amount in Rs	No.Of.Shares	Amount in Rs
Equity Shares at the beginning of the year	10,80,500	1,08,05,000	10,80,500	1,08,05,000
Add: Shares issued during the year	-	-	-	-
Less: Shares Bought back during the year	-	-	-	-
Equity Shares at the end of the year	10,80,500	1,08,05,000	10,80,500	1,08,05,000

Note 3 Reserves and surplus

Particulars	As at 31 st March,2016	As at 31 st March,2015
	Rs.	Rs.
(a) Security Premium Account		
Opening balance	8,00,000	8,00,000
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance (A)	8,00,000	8,00,000
(b) General reserve		
Opening balance	1,27,80,000	77,80,000
Add: Transferred from surplus in Statement of Profit and Loss	50,00,000	50,00,000
Less: Utilised / transferred during the year	-	-
Closing balance (B)	1,77,80,000	1,27,80,000
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	10,67,46,935	7,49,11,585
Add: Depreciation Adjusted with Reserves as per Sch II of Companies Act,2013		57,05,654
Add: Profit / (Loss) for the year	5,59,57,185	4,41,34,340
Less: Proposed Dividend	(21,61,000)	(1,08,05,000)
Less: Dividend Distribution Tax	(4,39,929)	(21,99,644)
Less: Transfer to General Reserve	(50,00,000)	(50,00,000)
Closing balance (C)	15,51,03,191	10,67,46,935
Total(A+B+C)	17,36,83,191	12,03,26,935



Note 4 Long Term Borrowings

Particulars		As at 31 st March,2016	As at 31 st March,2015
Term Loans			
Secured			
From Banks			
Term Loan from Canara Bank		-	38,00,000
Unsecured			
From Banks			
Standard Chartered Bank		14,24,019	37,78,839
Ratnakar Bank Ltd		9,55,077	21,83,116
HDFC Bank		7,04,237	17,65,378
Kotak Mahindra Bank		-	13,10,502
From Other Parties Unsecured			
Fullerton		13,52,209	31,01,655
Capital First Ltd		10,82,525	24,82,744
Bajaj Finance		9,84,289	24,36,336
Magma Fincorp Ltd		9,71,567	22,03,000
Religare Finvest Ltd		8,22,403	18,75,312
Tata Capital		-	16,91,416
Long term maturities of finance lease obligations			
Hewlett Packard Financial Services (India) Pvt Ltd		44,01,334	27,95,998
Vehicle Loan -Tata Capital		34,590	2,25,078
Vehicle Loan -Daimler Financial Services India Ltd		30,40,564	-
Total		1,57,72,814	2,96,49,374

Of the above

The Term Loan from bank is a Rupee Term Loan taken from Canara Bank which carries interest rate of base rate 13.00% p.a. (floating). It is repayable in 14 quarterly instalments. Equipment procured out of Term Loan are secured by way of Hypothecation of Equipment on Exclusive charge basis and personal

Collateral Security of Residential Plots admeasuring 2000 Sq Yds situated at Thimmayapalli, Keesara Mandal R.R.Dist, and Open Plots admeasuring 5230 Sq.Yds situated at Ghanpur Village, Toopran Mandal, Medak District and open plot No.11 admeasuring 773 Sq Yds and Open Plots admeasuring 7465 Sq Yds at Ghanpur Village, Toopran Mandal, Medak Dist. and open Plots admeasuring 2311 Sq Yds situated at Yawapoor Village, Toopran Mandal, Medak District.

Fixed Deposit of Mrs.N C Pushpavathi and NC Rangamani for Rs.30.00 lakhs has been pledged

In respect of Fixed Assets acquired on finance lease.The minimum lease rentals outstanding as on 31st March, 2016 is as follows:

Particulars	Principle outstanding	Interest outstanding	Total
Below 1 year	57,91,097	11,70,767	69,61,864
Above 1 year but less than 3 years	74,76,488	11,10,882	85,87,370
Total	1,32,67,585	22,81,649	1,55,49,234

Note 5 Deferred Tax Liability

Particulars	As at 31 st March,2016	As at 31 st March,2015
Deferred tax liability		
Related to fixed assets	56,23,762	42,34,220
Deferred tax assets		
Disallowances under the Income tax act' 1961	(23,64,964)	(14,14,634)
Deferred tax Liability (Net)	32,58,798	28,19,586

Note 6 Other Long -term Liabilities

Particulars	As at 31 st March,2016	As at 31 st March,2015
	Rs.	Rs.
Advance from Customers		
Anuradha Meadows Pvt Ltd	27,530	
Ashrae Clean room Presentations Pvt Ltd	1,38,730	
Battle Mecarthy Ltd - London	-	16,634
Sahithi Constructions	50,000	
Shilpa Architects Hyd	15,834	
Total	2,32,094	16,634



Note 7 Long-term Provisions

Particulars	As at 31 st March,2016	As at 31 st March,2015
	Rs.	Rs.
Provision for Employee retirement benefits		
Provision for Gratuity	27,22,099	27,22,099
Total	27,22,099	27,22,099

Note 8 Short Term Borrowings

Particulars	As at 31 st March,2016	As at 31 st March,2015
	Rs.	Rs.
Loans Repayable on Demand		
From Banks		
Secured		
Over Draft from Canara Bank	2,09,94,982	42,24,440
Total	2,09,94,982	42,24,440

Of the above

Over Draft Secured by way of Hypothecation of Equipment on Exclusive charge basis and personal guarantee given by the Managing Director, and Executive Director and Director of the Company.

Collateral Security of Residential Plots admeasuring 2000 Sq Yds situated at Thimmayapalli, Keesara Mandal R.R.Dist, and Open Plots admeasuring 5230 Sq.Yds situated at Ghanpur Village, Toopran Mandal, Medak District and open plot No.11 admeasuring 773 Sq Yds and Open Plots admeasuring 7465 Sq Yds at Ghanpur Village, Toopran Mandal, Medak Dist. and open Plots admeasuring 2311 Sq Yds situated at Yawapoor Village, Toopran Mandal, Medak District.

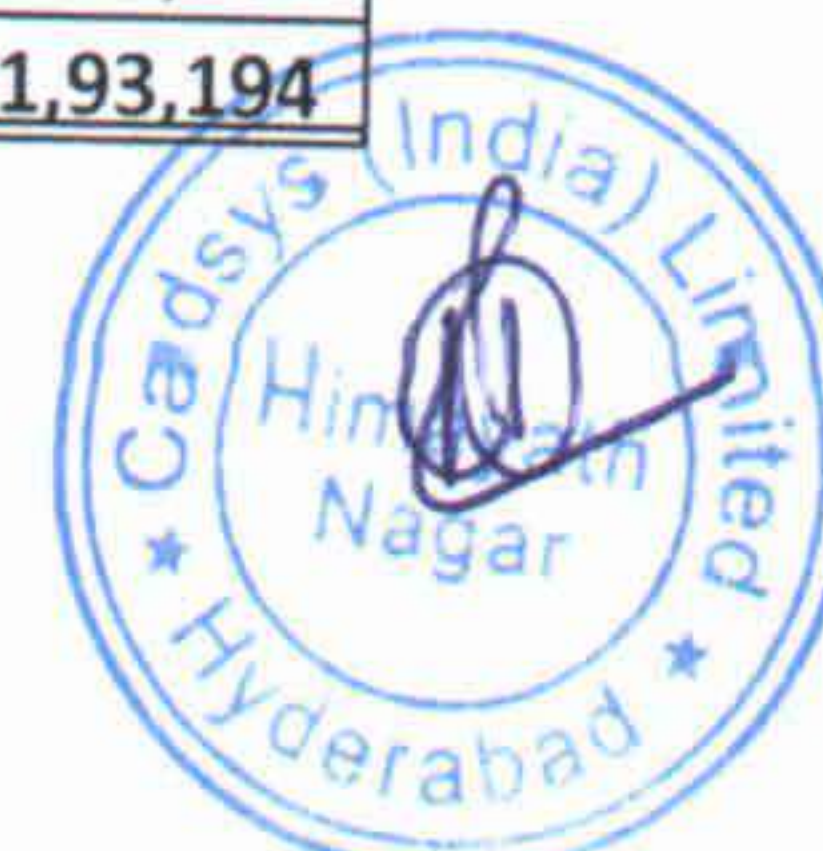
Fixed Deposit of Mrs.N C Pushpavathi and NC Rangamani for Rs.30.00 lakhs has been pledged

Note 9 Trade payables

Particulars		As at 31 st March,2016	As at 31 st March,2015
		Rs.	Rs.
Dues to Micro,Small and Medium Micro Enterprises		-	-
Others			
Trade Payables		5,52,417	23,70,372
Total		5,52,417	23,70,372

Note 10 Other current liabilities

Particulars		As at 31 st March,2016	As at 31 st March,2015
		Rs.	Rs.
Current Maturities of Long Term Debt		1,81,16,192	1,72,80,035
Current Maturities of Finance Lease Obligations		57,91,097	28,83,625
Employee Benefits Payable			
Salaries Payable		89,95,581	78,70,582
Director Remuneration Payable		5,21,475	22,91,262
Bonus Payable		44,30,802	16,38,000
Employee Benefits Payable		2,46,505	11,79,513
Provident Fund Payable		6,99,748	4,21,433
Employee Recreation Fund		4,06,902	3,37,702
ESI Payable		3,18,157	1,68,416
Conveyance Payable		24,000	1,20,000
Statutory Liabilities Payable			
TDS Payable		7,47,477	14,07,092
Professional Tax Payable		16,550	14,400
Other Payables			
Electricity Charges Payable		9,75,902	6,99,166
Rent Payable		11,38,758	5,26,071
Audit Fee Payable		3,13,500	2,47,192
Expenses Payable		20,251	66,242
Telephone Charges Payable		15,963	15,822
Maintenance Charges Payable		94,529	19,899
Secretarial Audit Fee Payable		6,870	6,742
Total		4,28,80,259	3,71,93,194



Note 11 Short-term provisions

Particulars		As at 31 st March,2016	As at 31 st March,2015
		Rs.	Rs.
Provision for Proposed Dividend		21,61,000	1,08,05,000
Provision for Dividend Distribution Tax		4,39,929	21,99,644
Provision for Income Tax (Net of TDS & Advance Tax)		52,84,521	64,71,426
Total		78,85,450	1,94,76,070

Note 13 Non Current Investments

Particulars		As at 31 st March,2016	As at 31 st March,2015
		Rs.	Rs.
1.Investment in Equity Instruments (At Cost)			
Subsidiary Companies (Unquoted)			
a)Cadsys Technologies Australia Pty Ltd (Current Year-No of Shares 30,000 - Face Value AUD 1)		16,51,209	16,51,209
b)Investment in LLC			
Cadsys Technologies LLC USA		33,61,259	33,61,259
2.Investment in Mutual Funds			
Canara Bank Robeco Mutual Fund (Current Year-No of Units - 301217.396 NAV per Unit -Rs.17.0947 /-) (Previous Year-No of Units- 192182.738 NAV per Unit-Rs.15.9028/-)		51,49,221	30,56,244
Total		1,01,61,689	80,68,712

Note 14 Long-term loans and advances

Particulars		As at 31 st March,2016	As at 31 st March,2015
		Rs.	Rs.
(a) Capital advances			
Unsecured, considered good		-	5,00,000
(b) Security deposits			
Rent Deposits		57,10,836	22,42,704
Electricity Deposits		12,59,021	7,13,429
Other Deposits		3,58,416	1,98,416
(c) Balances with government authorities			
Unsecured, considered good		1,65,321	9,20,830
(d) Other loans and advances			
Unsecured Considered Good			
Ipowers Four Technologies Pvt. Ltd		-	16,21,390
Vandurg Enterprises		-	7,316
Ametritech Engineering Solutions,Inc-USA		1,25,18,160	1,25,18,160
Cadsys Technologies Australia Pty Ltd		28,48,725	28,48,725
APIIC Limited		55,87,419	
Total		2,84,47,898	2,15,70,970

Note 15 Trade receivables

Particulars		As at 31 st March,2016	As at 31 st March,2015
		Rs.	Rs.
Trade receivables			
Unsecured, considered good			
More than six months		16,57,123	-
Others		2,58,33,160	2,26,65,208
Total		2,74,90,283	2,26,65,208



Note 16 Cash and cash equivalents

Particulars		As at 31 st March,2016	As at 31 st March,2015
		Rs.	Rs.
(a) Cash on hand		10,262	13,361
(b) Balances with banks			
(i) In current accounts		4,87,863	11,72,611
(ii) In EEFC accounts		22,75,749	67,55,795
(iii) In Fixed deposit accounts (period of maturity within one year)		15,48,81,387	12,33,28,246
Total		15,76,55,261	13,12,70,013

Note 17 Short-term loans and advances

Particulars		As at 31 st March,2016	As at 31 st March,2015
		Rs.	Rs.
(a) Loans and advances to employees		3,000	3,00,000
(b) Others			
Prepaid Expenses		11,62,171	10,40,079
Other Advances		5,70,438	7,84,706
Mat credit entitlement		-	-
TDS & Refund receivables		10,60,196	10,72,315
Total		27,95,805	31,97,100

Note 18 Other current assets

Particulars		As at 31 st March,2016	As at 31 st March,2015
		Rs.	Rs.
Interest Accrued On Fixed Deposits		36,69,257	32,07,510
Rent Receivable		-	18,000
Other Receivables		8,43,575	
Total		45,12,832	32,25,510



CADSYS (INDIA) LIMITED

SCHEDULE-12 FIXED ASSETS :

		GROSS BLOCK			DEPRECIATION			NET BLOCK				
S.No	DESCRIPTION	As at 01-04-2015	Additions during the year	Deletions	As on 31-03-2016	Up to 01.04.2015	During the Year till 31/03/2016	Deletions	As on 31-03-2016	As on 31-03-2016	As on 31-03-2015	Useful life in Yrs
		Rs.	Rs.		Rs.	Rs.	Rs.		Rs.	Rs.		
	Tangible Fixed Assets											
1	Furniture & Fittings	1,70,00,289	1,71,949		1,71,72,238	1,11,30,142	17,78,554		1,29,08,696	42,63,542	58,70,147	10
2	Computer	6,55,44,817	1,03,85,225		7,59,30,042	4,57,49,897	29,84,414		4,87,34,311	2,71,95,731	1,97,94,920	3
3	Servers	40,83,654	-		40,83,654	11,19,912	6,83,555		18,03,467	22,80,187	29,63,742	6
4	Electrical Equipments	50,29,488	-		50,29,488	40,25,547	7,70,332		47,95,879	2,33,609	10,03,941	10
5	Office Equipement	47,74,865	9,14,784		56,89,649	37,24,057	4,71,960		41,96,017	14,93,632	10,50,808	5
6	Vehicle	23,57,772	52,81,767	13,43,062	62,96,477	9,53,851	6,83,562	6,90,660	9,46,753	53,49,724	14,03,921	8
7	Air conditioner	22,72,105	1,12,081		23,84,186	16,18,307	2,05,734		18,24,041	5,60,145	6,53,798	10
8	Generator	33,71,362	23,000		33,94,362	15,65,785	4,48,894		20,14,679	13,79,683	18,05,577	10
9	U.P.S	26,78,222	12,65,368		39,43,590	13,11,080	6,25,095		19,36,175	20,07,415	13,67,142	5
10	Communication Equipment	42,98,274	5,45,740		48,44,014	25,44,603	1,31,445		26,76,048	21,67,966	17,53,671	5
11	Land	7,20,865	-		7,20,865	-			-	7,20,865	7,20,865	-
	Total	11,21,31,713	1,86,99,914	13,43,062	12,94,88,565	7,37,43,181	87,83,545	6,90,660	8,18,36,066	4,76,52,499	3,83,88,532	
	Intangible Fixed Assets											
12	Software	1,96,97,242	2,87,280		1,99,84,522	1,84,79,584	14,34,102	-	1,99,13,686	70,836	12,17,658	1
	Total	1,96,97,242	2,87,280		1,99,84,522	1,84,79,584	14,34,102	-	1,99,13,686	70,836	12,17,658	
		13,18,28,955	1,89,87,194		14,94,73,087	9,22,22,765	1,02,17,647	6,90,660	10,17,49,752	4,77,23,335	3,96,06,190	



Note 19. Revenue from Operations

Particulars	For the period ended 31 st March,2016	For the period ended 31 st March,2015
	Rs.	Rs.
Revenue from operations		
Sale of Services	29,16,51,425	22,28,65,771
Total	29,16,51,425	22,28,65,771

Note 20. Other income

Particulars	For the period ended 31 st March,2016	For the period ended 31 st March,2015
	Rs.	Rs.
Interest Income	1,09,73,496	75,06,181
Income from Sub -Rental	53,144	6,47,775
Miscellaneous income	25,55,634	3,00,000
Dividend from Mutual Funds	2,92,977	1,81,936
Amount received against Debit balances written off in earlier years	6750000	
Credit Balances written off		22000
Gain on Foreign Exchange Fluctuation	31,94,172	-
Total	2,38,19,423	86,57,892

Note 21. Employee Benefit Expense

Particulars	For the period ended 31 st March,2016	For the period ended 31 st March,2015
	Rs.	Rs.
Salaries and wages	14,08,33,740	9,79,68,805
Remuneration to Directors	96,00,000	60,00,000
Contributions to provident and other funds	71,21,447	42,43,402
Staff welfare expenses	17,60,055	13,71,091
Gratuity	2,49,119	8,74,609
Total	15,95,64,361	11,04,57,907

Note 22. Other Operating Expenses

Particulars	For the period ended 31 st March,2016	For the period ended 31 st March,2015
	Rs.	Rs.
Travelling and Conveyance	10,36,788	12,63,732
Internet Charges	21,08,270	17,88,377
Debit Balances written off	57,326	-
Deposits written off	8,09,180	-
Rates & Taxes	6,98,690	4,96,855
Rent	1,12,86,532	68,47,350
Bank charges	1,86,688	10,99,017
Professional & Consultancy Charges	23,28,402	25,07,391
Postage & Courier Charges	11,178	10,905
Electricity Charges	89,29,536	62,47,629
Loss on Foreign Exchange Fluctuation	64,28,918	31,79,230
Insurance	59,75,594	2,14,034
Printing & Stationery	5,79,859	4,42,431
Payments to Auditor as :		
(a) Statutory Audit Fee	1,85,490	1,34,832
(b) Tax Audit Fee	1,58,010	1,12,360
Repairs & Maintenance - Others	15,50,444	25,01,209
Security Charges	9,58,722	6,59,000
Subscription & Other Charges	11,70,935	5,60,611
STPI Charges	4,30,063	3,36,007
Telephone Charges	2,17,216	3,10,129
Interest On TDS	7,500	18,520
Advertisement and Business Promotion	1,76,772	3,02,102
Prior Period Expenses	74,421	7,10,069
Computer Hire Charges	25,55,736	15,74,000
Computer Consumables	6,43,163	4,88,747
Foreign Travel Expenses	31,93,303	29,81,140
Loss on Sale of Vehicle	2,02,402	-
Total	5,19,61,137	3,47,85,677

Note 23. General Expenses

Particulars	For the period ended 31 st March,2016	For the period ended 31 st March,2015
	Rs.	Rs.
Books & Periodicals	9,316	-
Domain Charges	38,174	18,488
Donations	60,000	60,000
Office Expenses	5,33,575	2,45,210
Office Maintenance	24,39,547	15,59,045
Total	30,80,612	18,82,743

Note 24. Financial costs

Particulars	For the period ended 31 st March,2016	For the period ended 31 st March,2015
	Rs.	Rs.
Interest expense on:		
- Interest on Finance Lease Loans	12,56,176	9,55,848
- Interest On Term Loan & Working Capital Loans	16,97,877	20,22,758
- Interest on Unsecured Loans	55,56,383	31,55,396
- Interest on Vehicle Loan	3,01,575	-
Total	88,12,011	61,34,002



CADSYS (INDIA) LIMITED

CASH FLOW STATEMENT FOR YEAR ENDED 31st March 2016

Particulars		Year Ended 31st March 2016		Year Ended 31st March
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax as per Statement of Profit and Loss		8,18,35,079		7,01,94,664
Adjustments For :				
Depreciation and Amortisation Expense	1,02,17,647		80,68,670	
Finance Costs	88,12,011		61,34,002	
Interest Income	-1,09,73,496		(75,06,181)	
Loss on sale of asset	2,02,402		-	
Dividend Income	-2,92,977		(1,81,935)	
Credit Balances Written Off	-	79,65,587	(22,000)	64,92,556
Operating Profit before Working Capital Changes		8,98,00,667		7,66,87,220
Adjustments for Changes in Working Capital :				
Adjustments for (Increase) / Decrease in operating assets				
Long-term loans and advances	-68,76,928		7,69,651	
Trade Receivables	-48,25,075		(1,98,59,931)	
Short Term Loans & Advances	3,89,176		(10,12,589)	
Other Current Assets	-8,25,575	-1,21,38,402		
Adjustments for Increase / (Decrease) in operating liabilities				
Other Long Term Liabilities	2,15,460		(1,20,03,326)	
Long Term Provisions	-		(5,03,208)	
Trade Payables	-18,17,955		(38,89,238)	
Other Current Liabilities	19,43,436	3,40,941		
		(1,17,97,461)	56,67,938	(3,08,30,703)
Cash from Operations		7,80,03,206		4,58,56,517
Income Tax Paid		(2,66,13,468)		(1,53,27,982)
Net Cash Generated from Operating Activities (A)		5,13,89,738		3,05,28,535
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payments for Purchase of Fixed Assets		(1,89,87,194)	(33,73,470)	
Payments for Purchase of Mutual Funds		(18,00,000)	(18,00,000)	
Interest Income		1,05,11,749	51,92,522	
Sale of Assets		4,50,000	-	
Net Cash Used in Investing Activities (B)		(98,25,445)		19,052
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings		(1,01,32,931)	29862064	
Repayment of Short Term Borrowings		1,67,70,542	(4,77,186)	
Finance Costs Paid		(88,12,011)	(61,34,002)	
Dividend and Dividend Distribution Tax Paid		(1,30,04,644)	(1,26,41,310)	
Net Cash Generated from Financing Activities (C)		(1,51,79,044)		1,06,09,566
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)		2,63,85,248		4,11,57,153
Add: Cash & Cash Equivalents As at 31st March,2015		13,12,70,013		9,01,12,860
Cash & Cash Equivalents As at 31st March,2016		15,76,55,261		13,12,70,013

Significant accounting policies

Notes on Financial Statements

1

2 to 32

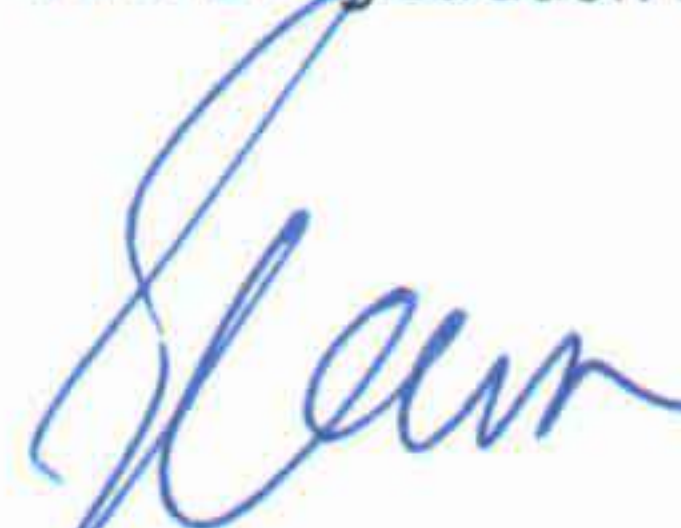

As per our report of even date

For **NARVEN ASSOCIATES**

For and on behalf of the Board of Directors



Chartered Accountants

Firm's registration no. **005905S**


Partner

Firm Reg. No. 05905S
HYD.
Chartered Accountants

N.C.V.RANGACHARYA

Managing Director


N.C.PADMAJA
Executive Director

Cadsys (India) Limited
Himayy
Nagar
Hyderabad

Place: Hyderabad

Date: 02/9/2016

Note 1 :**SIGNIFICANT ACCOUNTING POLICES:**

The following are the significant accounting policies adopted by the company.

A. Preparation and presentation of Financial Statements:**a. BASIS OF PREPARATION:**

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP), the mandatory accounting standards issued by the Institute Of Chartered Accountant Of India and the provisions of the Companies Act, 2013, as adopted consistently by the company.

b. USE OF ESTIMATES:

The preparation and presentation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of revenues and expenses during the reporting period. The difference between the actual and estimates are recognized in the period in which the results are known/ materialized.

B. Fixed Assets:

- a. Fixed assets are stated at the original cost of acquisition less depreciation. Original cost includes purchase price, levies, and directly attributable cost of bringing the assets to its working condition for its intended use. As also the capitalized portion of preoperative expenses.
- b. Depreciation on the Fixed Assets of the company is provided on Straight Line Method based on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013.
- c. Depreciation on additions during the year is being provided for on a pro rata basis.

C. Revenue Recognition:

- a. Revenue from software development on the time-and-material basis is recognized based on Software developed and billed to clients as per the terms of specific contracts.
- b. Interest Income on deposits is recognized using the time-proportion method, based on interest rates implicit in the transaction.
- c. Sub-lease rental income on immovable properties is recognized on accrual basis as per the respective agreements with the parties.
- d. Dividend income is recognized on when the group's right to receive dividend is established.

D. Expenditure:

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities. The cost of software developed for in house use was charged to revenue in the same year in which the cost incurred. The leave encashment liability of the company is provided on the cash basis.



E. Retirement Benefits to Employees:

- a. **Provident Fund:** In respect of Provident Fund contribution, the employee and the employer make monthly contribution to the provident fund equal to 12% of the covered employee's salary, the company has no further obligations under the provident fund plan beyond its monthly contribution.
- b. **Gratuity:** Provision has been made for payment of premium to Life Insurance Corporation of India under its Group Gratuity Scheme on the basis of actuarial valuation done by them.

F. Foreign Currency Transactions:

Sales made to clients outside India are accounted for on the basis of the exchange rate as on the date of transaction. Current assets and Current Liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet. The resulting difference is accounted for in the profit and loss account.

G. Taxes on Income:

Current tax is determined on the amount of tax payable in respect of taxable income for the year.

The deferred tax charge or credit is recognised using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realization in future. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the year and available case laws, to reassess realization/liabilities.

H. Provisions and Contingencies :

A provision is recognized when there is a present obligation as a result of past event, for which it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

NOTES TO FINANCIAL STATEMENTS:

25. Capital Commitments and Contingent Liabilities not provided for in respect of:

- (i) **Estimated amount of unexecuted capital contracts:**

(Amt in Rs)

S.No	Particulars	2015-16	2014-15
1	Unexecuted Capital Contracts	Nil	Nil



(ii) **Contingent liabilities:**

(Amt in Rs)

S.No	Particulars	2015-16	2014-15
1	Outstanding Corporate Guarantees	1,72,485	1,43,406

26. Employee Benefits:

The company has adopted Accounting Standard AS-15 (revised 2005) on Employee benefits.

- a) The company has recognized, in the profit and loss account for the year 31st March 2016, below mentioned defined contribution plans.

(Amount in Rs)

Description	2015-16	2014-15
Provident Fund	38,22,062	25,75,931
E.S.I	26,68,077	16,67,471
Total	6490139	4243402

- a) Following are the details of Funded post retirement gratuity under defined benefit obligations are as follows:

RESULTS OF VALUATION	2015-16	
	Existing	New
PV of Past Service Benefit	3,067,043	306,142
Current Service Cost	414,492	428,276
Total Service Gratuity	2,6536,642	34,268,348
Accrued Gratuity	5,545,612	688,529
LCSA	20,991,030	33,579,819
LC Premium	41,639	36,513
Service Tax	5147	5,295
Fund Value as on Renewal Date	3,883,382	123,536
Additional Contribution for existing fund	-	182,606
Current Service Cost	-	428,276
Total Amount Payable	46,786	652,690
Actuarial Assumptions		
Mortality Rate	LIC(2006-08) ultimate	
Withdrawal Rate	1% to 3% depending on age	
Discount rate	8% p.a	
Salary Escalation	4%	5%



27. Foreign exchange inflow and outflow:**a. CIF Value of Foreign Currency Inflow:**

Particulars	2015-16	2014-15
Software Development	29,16,51,425	222,865,771
Total	29,16,51,425	222,865,771

b. Foreign Currency Outflow:

Particulars	2015-16	2014-15
Travelling Expenses	31,93,303	29,81,140
Total	31,93,303	29,81,140

28. Related Party Transactions:**a) Name of the related parties & relationship:**

Party Name	Relation
N.C.V. Rangacharya	Key Managerial Person (Managing Director), Brother of N.C Padmaja.
N.C.Padmaja	Executive Director & Sister of N.C.V. Rangacharya
V-enable Education Pvt. Ltd	Enterprises over which Key managerial personnel has significant influence.
Compusonic Technologies	Enterprises over which Key managerial personnel has significant influence.

b) Transactions with Related parties

Name of the Related Party	N.C.V. Rangacharya	N.C.Padmaja
Description of the nature of transactions	Receiving of Services	Receiving of Services
Volume of transactions either as an amount or as appropriate proportion	Managerial Remuneration of Rs.60,00,000/-	Managerial Remuneration of Rs.36,00,000/-
Any other elements of the related party transactions	NIL	NIL
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	Managerial Remuneration Payable of Rs. 3,00,000/-	Managerial Remuneration Payable of Rs. 2,21,475/-
Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties	NIL	NIL



29. There were no overdue amounts exceeding Rs.1,00,000/- each, which are outstanding for more than 30 days payable to Small Scale Industrial Undertakings as on 31st March, 2016.
30. Paise have been rounded off to the nearest rupees.
31. Previous year figures have been regrouped, recast and rearranged wherever necessary to correspond with the Current Year's Figures. Previous Year's Figures for Cash Flow Statement are drawn as Cash Flow Statement for the year ended 31st March, 2016 under Companies Act, 2013.
32. Other Particulars : Nil

As per our report of even date

for and on behalf of the Board of Directors

For **NARVEN ASSOCIATES**
Chartered Accountants

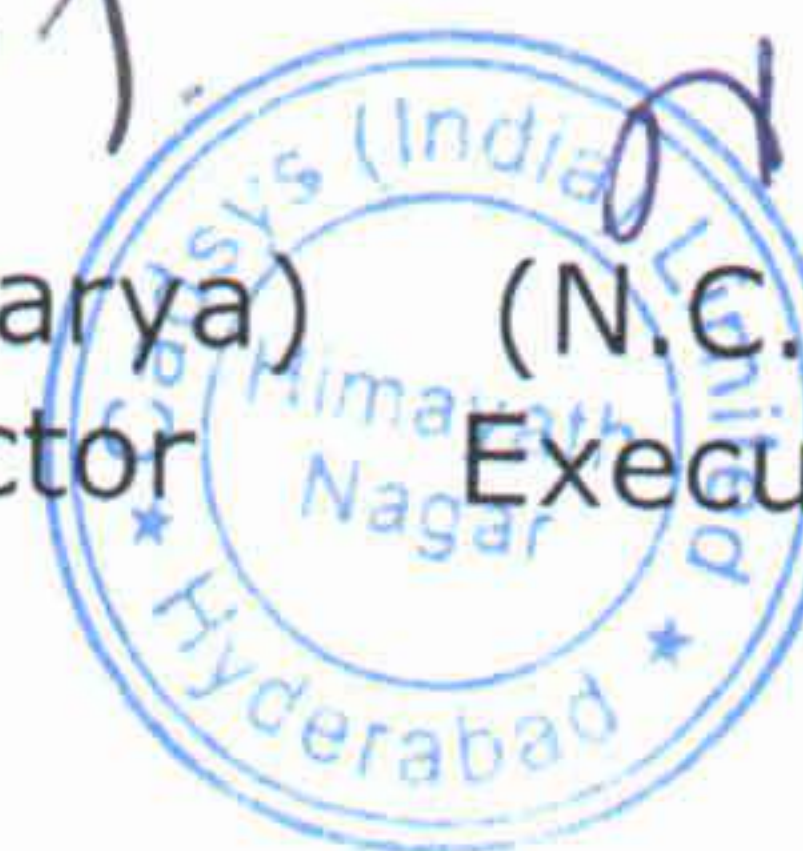
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Partner


(N.C.V Rangacharya)
Managing Director


(N.C. Padmaja)
Executive Director



Place: Hyderabad.

Date: 02/09/2016



Independent Auditor's Report

To the Members of

CADSYS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of CADSYS (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016 and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants India. 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. 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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 purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, the statement of profit and loss account & Cash Flow Statement dealt with by this Report are in agreement with the books of account;

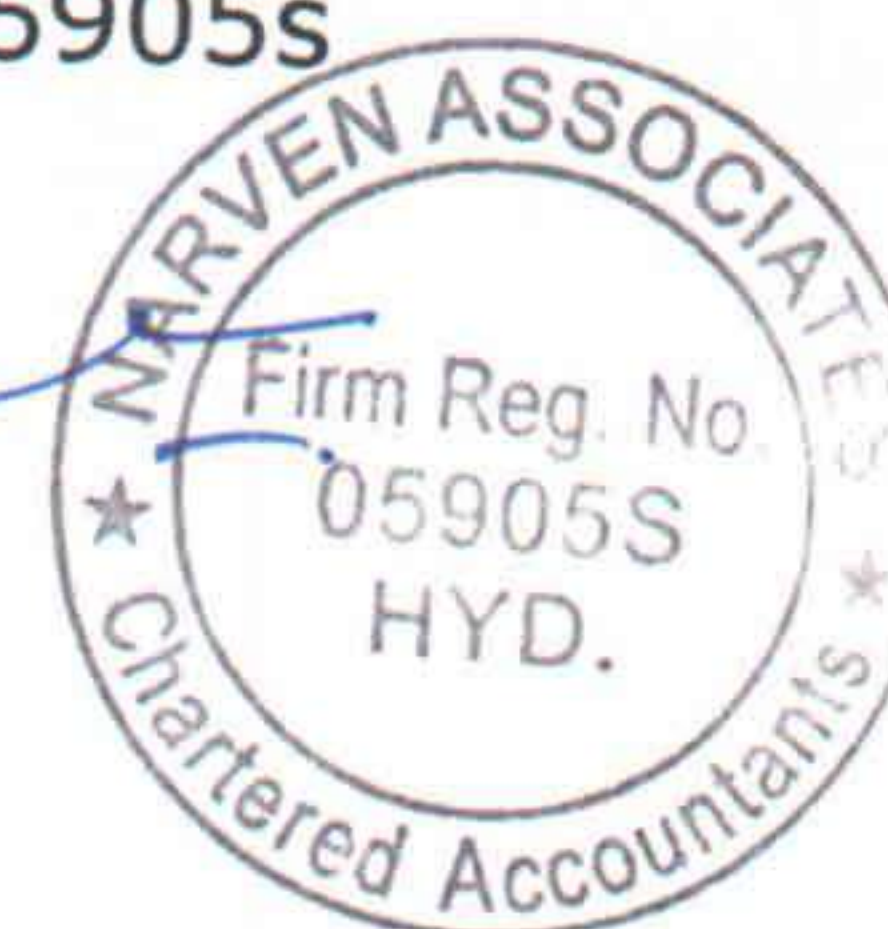
- d) in our opinion, the aforesaid Balance Sheet and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- the Company has no pending litigations which have impact on its financial position in its financial statements
 - the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts and
 - There have been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Hyderabad
Date: 02-09-2016

For **NARVEN ASSOCIATES**
Chartered Accountants
Firm Regn. No: 05905s


G.V. Ramana
Partner

Membership No.:025995



Annexure -A to the Audit Report- CADSYS (INDIA) LIMITED

The annexure referred to in Independent Auditor's 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) As per the information and explanations given to us the fixed assets of the company have been physically verified by the management during the year in regular intervals. In our opinion the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the company.
- ii. In our opinion and according to the information and explanations given to us, The Company is a service company primarily rendering IT consulting and Enabled services. Accordingly, the company does not hold inventories. Accordingly matters specified in clause(ii) of the order not applicable to the company.
- iii. During the year the Company has not granted any loans, secured or unsecured to Companies, firms or other parties listed in the register maintained Under Section 189 of the Companies Act. Consequently clauses (iii)(a), (iii)(b) and (iii)(c) of the companies (Auditor's Report) order, 2015 are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company. Consequently no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank Of India or any court or any other tribunal, on compliance or non-compliance of the same. Accordingly, clause (v) of the Order is not applicable

- vi. In respect of the company, the Central Government of India has not prescribed for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act. In our opinion, these provisions are not applicable to the company since the company is under implementation stage.
- vii. (a) According to the information and explanations given to us, and on the basis of our examination of the books of accounts, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including Employees' State Insurance, Provident Fund, Income-tax, Sales-tax, Service-tax, Customs duty, Excise duty, Cess and any other material statutory dues as applicable to it.

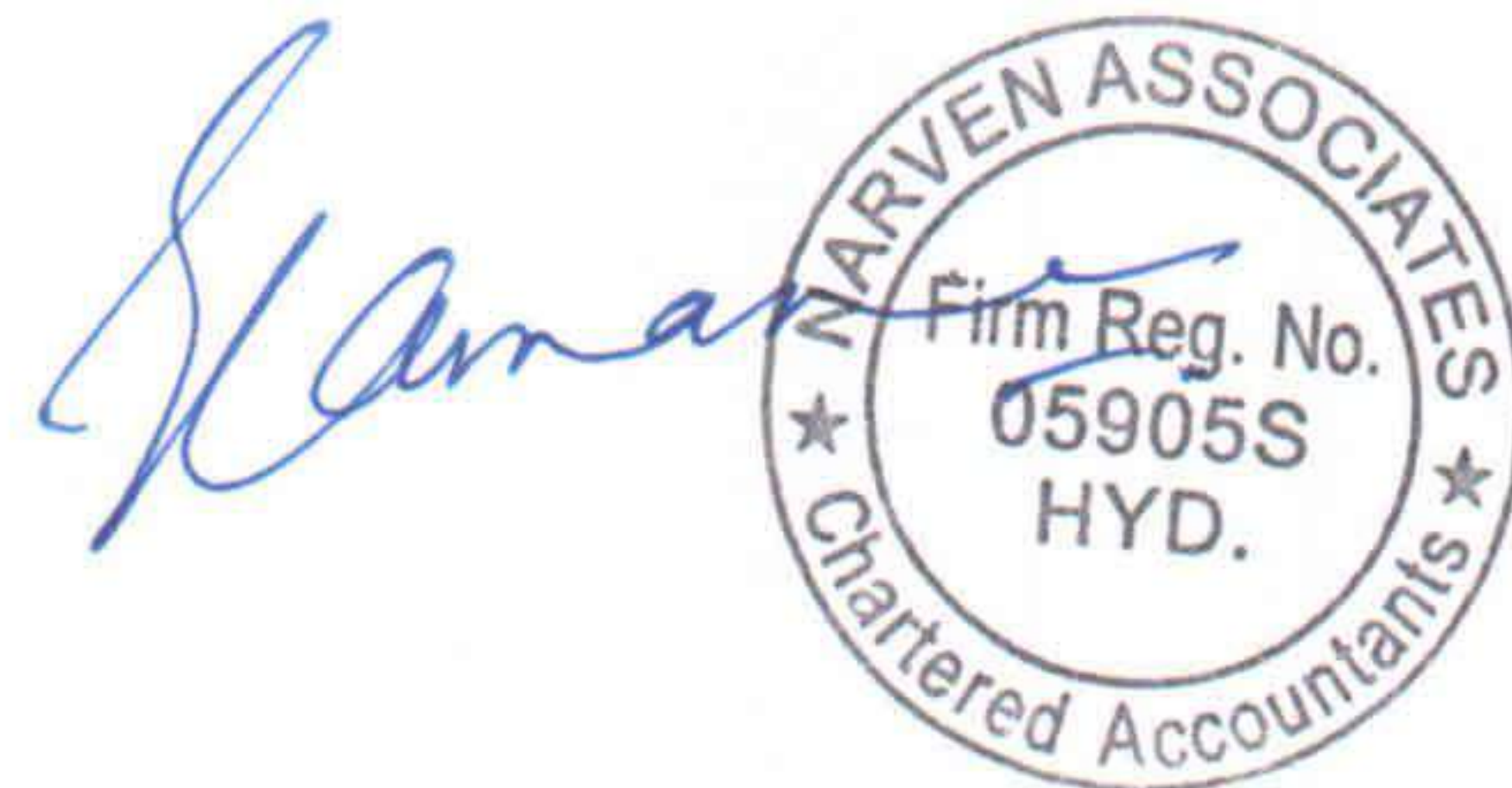
(b) According to the information and explanations given to us, no undisputed or disputed amounts payable in respect of income tax, sales tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- viii. During the year the company has not defaulted in loan repayments. The company has not issued any debentures. Accordingly, clause (viii) of the Order is not applicable.
- ix. The company did not raise the money by way of any initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us, the company has paid /provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 Read with Schedule V of the Act.
- xii. In our opinion and according to the information and explanations given to us, the company is not in Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanations given to us, and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and

details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For NARVEN ASSOCIATES
Chartered Accountants

FRN:005905S



G.V.Ramana
(PARTNER)

Membership No.:025995

Place: Hyderabad
Date: 02-09-2016

Annexure - B to the Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of CADSYS (INDIA) LIMITED ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NARVEN ASSOCIATES
Chartered Accountants

FRN: 005905s



G.V. Ramana
(PARTNER)



Membership No.:025995

Place: Hyderabad
Date:02-09-2016