



CADSYS (INDIA) LIMITED

Annual Report 2018-19

Precise Engineering Speeding Connectivity



Table of Contents

Managing Directors' Speech

04

Cadsys at a Glance

06

History and Timeline

08

Corporate Information

10

Company Background

11

12

Services

14

Financial Momentum

16

Board Of Directors

18

Delighted Workspace
Delightful Customers

20

MASTISHK: Cadsys CSR

Corporate Overview

Management Discussion
And Analysis

22

Statutory Reports

26

Board's Report

Independent Auditor's Report

53

Standalone Balance Sheet

60

Standalone Profit & Loss

61

Standalone Cash Flow Statement

62

Notes to Standalone
Financial Statements

66

80

Independent Auditor's Report

86

Consolidated Balance Sheet

87

Consolidated Profit & Loss

88

Consolidated Cash
Flow Statement

93

Notes to Consolidated
Financial Statements

106

Notice

Financial Statements

Precise Engineering Speeding Connectivity

Geospatial technology has matured over the last few decades. It was used as a toolset for people who make maps, but now it serves all levels of the GIS user community, from ITs and analysts to administrators and consumers. Over the years Cadsys has worked towards building up considerable expertise in GIS & mapping and telecom & CATV services. We have been interpreting and digitizing information for IT professionals and other industries in geospatial service centres across India and North America. Through a comprehensive surveying method, We at Cadsys carry out an extensive mapping and geographic information systems (GIS) services, as we provide expertise in analysis methods and modelling techniques. Cadsys has a proven record of delivering customer satisfaction through Cadastral Mapping Services, Data Conflation Services and Record Clean up and Data related Quality Assurance.

At Cadsys we will help customers find their needs and designs that perfectly works best for them. We use cutting-edge software to help maintain, track, and manage, our clients' GIS data. By teaming up with Cadsys, you will receive applications and data that are managed effectively and efficiently for your ease of use. We offer a list of services such as Spatial data Analysis & Manipulation, Data translation and transformation between file formats, Cross-platform data migration, Backlog records posting and Ongoing records maintenance.

Network communications are the core of GIS operations. Networks connect user applications with shared data resources, remote office workflows and enable GIS users throughout the community to share GIS data services. many of the geographic information systems today are globally connected while offering real-time information products to serve users around the world.

With the introduction of better network technology like 5G, there are certain network protocols used in GIS specifically, such as standard IP disk mounting, protocols for accessing file data sources, message protocols for communicating between the GIS application and database data sources, and web protocols for connecting intranet and internet data sources and services. The world moving towards 5G, it's significant for us to believe that geospatial and 5G are interconnected. There is going to be denser telecom network, more towers placed selectively and strategically. Accurate geodata coupled with advanced spatial analytics is also crucial to planning placement of such infrastructure.

We carry a responsibility to deliver continuous and everlasting success to our customers with a relentless pursuit of excellence and adhering to the highest standards of business ethics. Our team of professional staff offers a Geographic Information System (GIS) and mapping services for our customers across the entire spectrum of GIS and mapping needs. Our expert team of staff has the ability to effectively create, analyse and manage all types of spatial data through the use of industry-standard software and technology. We ensure to assist our clients with timely and cost-effective GIS data management and mapping services through the utilisation of readily available current GIS data and custom-created data.

Managing Director's Speech



Dear Shareholders,

It is my pleasure and honour for having this opportunity to present the 27th Annual Report to the esteemed shareholders of Cadsys (India) Limited. We have successfully completed another year with positive growth. I, on behalf of the Board, would like to thank you all for being here and bestowing your trust yet again in the Company.

I write this letter with a sense of pride to express how well your Company performed this year, not just in financial terms, but also in terms of what we accomplished for customers, employees, shareholders and communities across the world. During the year, Your Company has stood strong and formidable to all the challenges that came by and has adapted openly to the constant changes. The management and employees of the Company clasping strongly to the Vision and Mission goals have moved your Company a step closer to the zenith of success.

This year your Company had to witness the sudden demise of the Independent Director Late Shri. Nandachary Mudumbi.

I would like to acknowledge and remind everyone about his invaluable contributions to the growth of this Company. Subsequently, Mr. Appalacharyulu Chilakamarri was appointed as the Independent Director to discharge the duties and provide his expert knowledge to the Company.

Over the past couple of years, your Company focused on reducing the operational costs by implementing proprietary software. In addition, your company focused to bestow superior customer satisfaction to build a long term and sustainable business growth. This strategy strengthened our customer – vendor relationship which laid path for inflow of continuous business wherein your Company, in the year FY 2019 achieved long term MSAs with two global Telecom giants. Apart from that, your company has also been awarded repeat Work Orders from existing clients. I believe, this is true a manifestation for strong Customer – Vendor relationship and the credibility your company has built. Overall during FY 2018-19, your company added new customers. I believe this is a major milestone for the Company, paving way to explore and expand the Company's presence in the Field Services market.

I would like to now present to you all the financial highlights for FY 2018 – 19. Your Company had a 17.20% of revenue growth as opposed to 4.38% in the preceding year. In terms of revenue performance and business growth, under Consolidated financials your Company in the current year achieved a revenue of ₹5,338 Lakhs as compared to ₹4,555 Lakhs in FY 2017-18. Under Standalone financials, the revenue is at ₹2,152 Lakhs as compared to ₹3,280 Lakhs in the previous Financial Year 2017-18.

The current year Profit After Tax (PAT) under Standalone is ₹277 Lakhs as compared to ₹353 Lakhs in the year 2017-18. This faint slump in the Standalone Profit After Tax (PAT) is due to the company not taking up project from domestic market. However, in the consolidated financials, the PAT for current year is ₹1,241 Lakhs to ₹739 Lakhs of PAT in the previous financial year. As mentioned above, the automation of certain operational functions have facilitated in reducing the overhead costs and aided the overall

profitability of the Company. Your Company is continuing to work extensively towards building strong operational efficiencies and further expand its market in the USA.

The listing of equity shares on the Stock Exchange has laid down a path for strong Company and shareholder relationship and we perceive as a huge motivation factor to strive further to secure the interest of the stakeholders of the Company. During the year your Company witnessed an increased momentum in strategies execution resulting in signing for a key acquisition. During the first half of the year, Your Company entered into Strategic Business Deal with First Call Services LLC, USA to execute the projects in Field Services. However, utilising the operational advantage and the opportunity to outsource the jobs off-shore, your company signed an LOI to acquire the Business of First Call Services LLC.

Some of the highlights on the business front are as follows:

- Your company added 3 new customers one of them being the Global Telecom giant AT&T.
- Your Company's subsidiary in USA has signed an LOI to acquire the business First Call Services LLC, a Tennessee based Company which is into the business of Field surveying.
- Your Company has signed a Sale Agreement with DSL Infrastructure Pvt Ltd to purchase new office facility at DSL Abacus Arena, Hyderabad.
- Obtained building permissions for construction of new facility at the Mangalgiri site in Andhra Pradesh state.
- Top 10 customers contribute 72% of the revenue compared to 85 % last financial year.
- The current number of employees increased to 55 in the Apex Advanced Technology LLC.

The forecast in terms of business growth and outlook for the forthcoming Financial year 2019-20 is expected to be as follows:

The analysts at Wall Street research firm - Cowen estimated that there will be 2,75,000 small cell nodes deployed by 2023, and if each generates \$500 to \$1,000 per month in revenue, then the overall small cell opportunity creates \$20 billion in "value creation" for backhaul suppliers. Your Company understands the dearth for the innovation in this segment and is looking forward to provide end to end solutions to the customers by utilising the in-house technologies to the optimum levels and gain the market edge. We believe that the adoption of these in-house technologies gives us a unique opportunity to significantly increase our value proposition and create differentiated positioning in the market.

Going forward, the management is confident that your Company through this acquisition will build traction with the customers and build the right platform to tap onto other emerging technologies such as the 5G small cell business, Internet of Things (IoT), Artificial Intelligence, Data Analytics, etc. With these structural changes in the operations, your company will witness an accelerated, stable and robust growth in the coming years. Finally, I would like to conclude my speech thanking our Shareholders, Merchant Bankers, respected officials of National Stock Exchange EMERGE platform, Share Transfer Agents, Senior Management, customers, vendors, auditors, company secretaries, and all the employees of the Company for extending their continuous support and encouragement towards your Company. We aim and hope to continue to invest more efforts and hard work in building a strong family and generate.

Thank you once again.

With warm regards,
sd/-

Nallani Chakravarthi Venkata Rangacharya
Founder and Managing Director



Cadsys at a Glance



55

Number of
Employees in USA

5+

Presence in
Countries

35

Number of
Customers



₹ in Lakhs

Revenue

5,338**17%**

PAT

1,241**68%**

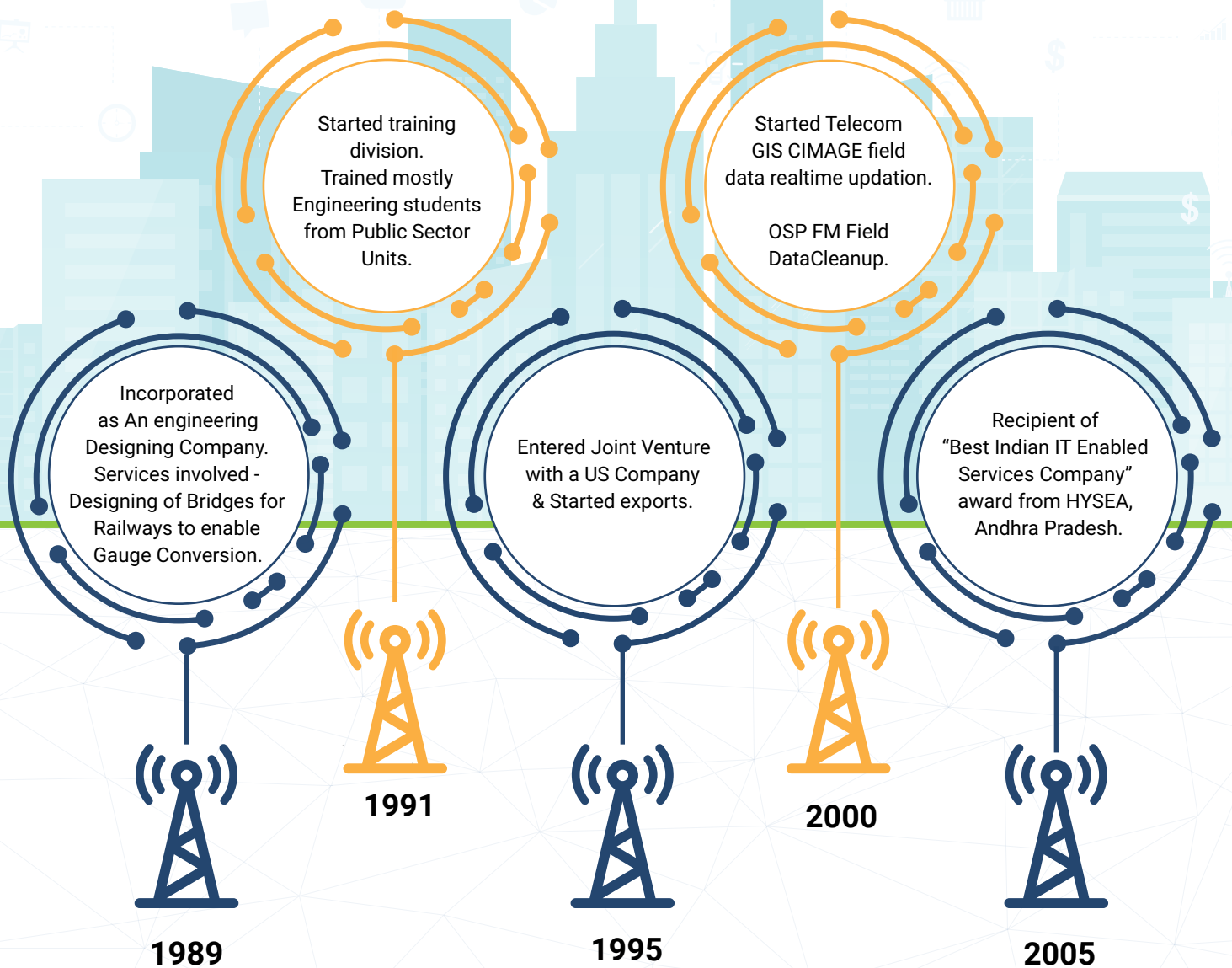
EBITDA

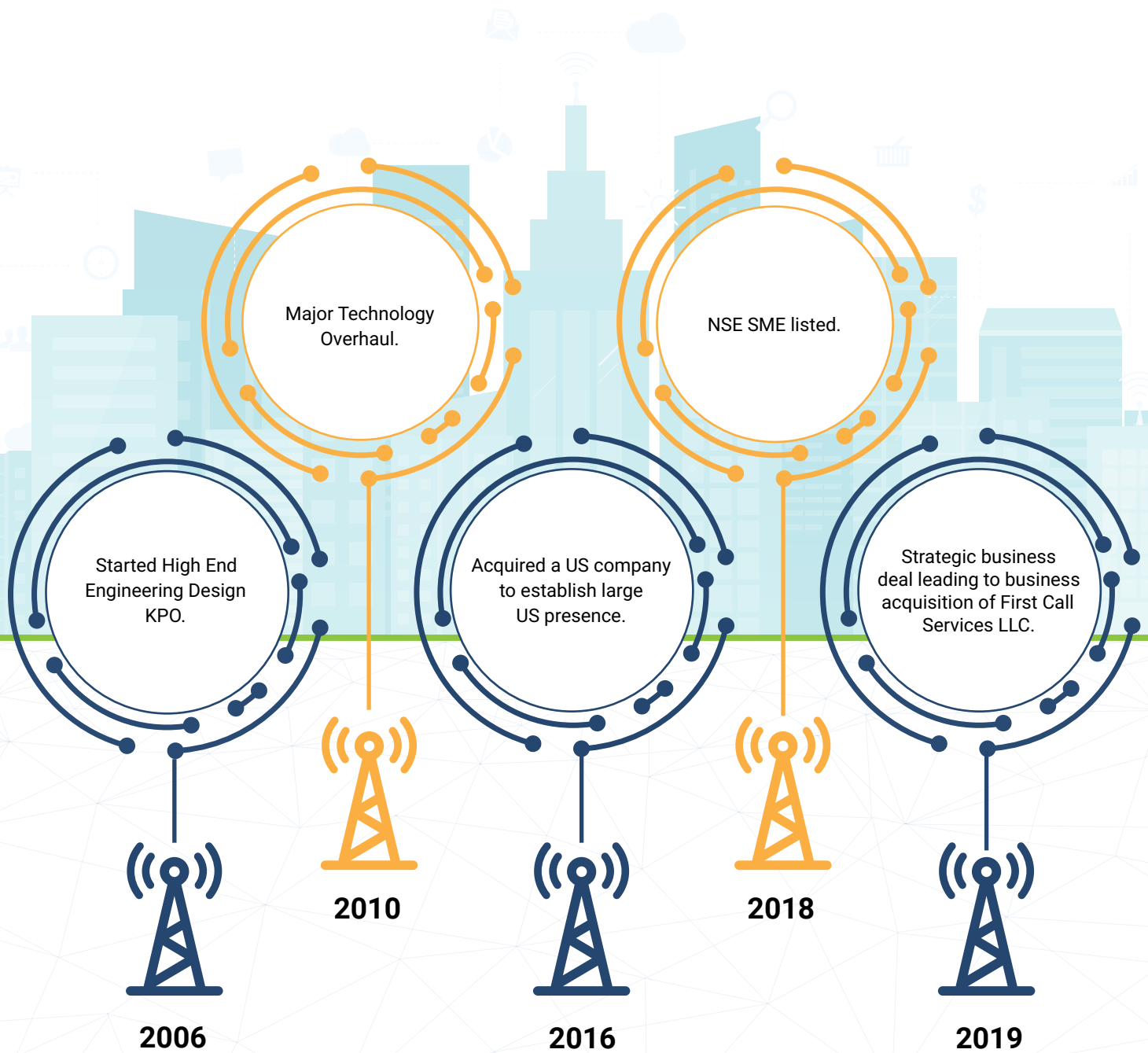
1,859**27%**

Net worth

6,210

History and Timeline





Corporate Information



Board of Directors

Mr. Nallani Chakravarthi Venkata Rangacharya
Promoter & Managing Director

Ms. Nallani Chakravarthi Padmaja
Whole Time Director & Chief Financial Officer

Mr. Sai Sridhar Sangineni
Independent Director

Mr. Appalacharyulu Chilakamarri
Independent Director

Ms. Nallani Chakravarthi Madhavi
Non-Executive Director

Mr Sripadarajan Nagarajan
Non-Executive Director

Registered office of the Company

Cadsys (India) Limited
3-5-900/1, IVth Floor, Aparajitha Arcade,
Himayathnagar, Hyderabad – 500029, Telangana, India.
Telephone: +91-40-2322-4110;
Facsimile: +91-40-2322-3984;
E – mail: info@cadsystech.com
Website: www.cadsystech.com

Babladi Shailaja
Company Secretary and Compliance Officer
E-mail: cs@cadsystech.com

Nallani Chakravarthi Padmaja
Chief Financial Officer
E-mail: padmaja@cadsystech.com

Stock Exchange

National Stock Exchange of India Limited
(Emerge - An SME Platform)
Exchange Plaza, Plot No. C/1 G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400051 Maharashtra, India
Website: www.nseindia.com/emerge/

Share Transfer Agents

Bigshare Services Private Limited
306, Right Wing, Amrutha Ville,
Opp. Yasodha Hospital,
Somajiguda, Raj Bhavan Road,
Hyderabad - 500 082.
Telephone: 91-40-2337 4967 | 2337 0295
Facsimile: +91 – 022 28475207
Website: www.bigshareonline.com
Investor grievance: bsshyd@bigshareonline.com

Statutory Auditors

M/s. Narven Associates
Chartered Accountants
Firm Registration No.: 005905S
Email: ca.narven@gmail.com

Internal Auditors:

M/s. A.V Ratnam & Co.
Chartered Accountants
Email: avr242@gmail.com

Secretarial Auditors:

M/s. RANJ & Associates
Company Secretaries
Email: consult@ranjcs.com

Bankers to our Company

Canara Bank
3 – 5- 874 / 19/ 1 to 3,
Beside Old MLA Quarters,
Hyderguda, Hyderabad – 500 029,
Telangana, India
Telephone: +91-40-23436945;
Facsimile: +91-40-23436946;
Email: srinivasa.babu@canarabank.com
Contact Person: Srinivasa Babu



Company Background

Cadsys (India) Limited is a professionally managed multi-disciplinary organization under taking GIS and Engineering design services in the field of Telecom, CATV, Oil & Gas, Electric, other Utilities. Established in the year 1992, CADSYS is headquartered in Hyderabad, Telangana, India, and has operational presence in the United States of America. We have successfully expanded our client base to countries such as Europe, Middle East and Canada.

For over two and half decades, we have been thriving to be the one of the finest organizations in implementing complex enterprise GIS solutions for a wide variety of customers across the Globe. Cadsys's solutions include technology, content and services (Content conversion and migration) components. Overtime, Cadsys has developed domain expertise in the fields of GIS, Photogrammetry, Engineering Services, Surveys and Customized Application Development. Through streamlined process coupled with expertise of 400+ employees hired world-wide by the company, Cadsys established an unmatched standard of quality.

Cadsys specializes in the development of intelligent, enterprise-wide geospatial data solutions for organizations in the Electric distribution, Oil and Gas, Water and Sewage disposal utilities. Cadsys has extensive experience in GIS database development for land base mapping projects. We have mapped millions of square miles of the data sets.

We help communications, engineering, and utility organizations, more effectively manage their people, data, and infrastructure. Our innovative engineering services and enterprise software solutions help the organizations gain a competitive advantage by:

- a. enhancing productivity;
- b. improving quality of entire operation – i.e., from planning and installation to network maintenance and upgrades.

Services

GIS – Telecom, Asset Mapping, Telecom and CATV services

- Our Computer Aided Design (CAD) & Drafting team provides Geospatial Engineering Services in terms of Data Conversion & Migration and Mapping Services like Data Capture & AM/FM Mapping to.
- Provide designing next-generation fibre networks/systems i.e. FTTx, HFC and DAS for telecommunication companies.
- Provide offshore design methodology - Triple Play services i.e. Voice, Data and Video, Broadband i.e. High-speed Internet and CATV which helps the customers in their business areas offering.
- Addition, our telecom engineering design team provides wired or wireless Information Technology and Telecom networks services to Telecommunication Companies.
- Providing assistance and practical support on all aspects of Outside Plant Network Infrastructure and field operations.
- Provide end to end support and solutions to communications, engineering, and utility companies - to manage effectively people, data, and infrastructure.
- We also handle mission critical fibre-optic network related services involving future-proof designs of fiber networks i.e.
- FTTN, FTTP, FTTCS serving broadband and 4G LTE mobile services.
- Our other GIS services include: Landbase conversion, Data Purification and reconciliation, Records conversion (CAD or image-based), work order posting, conflation services.

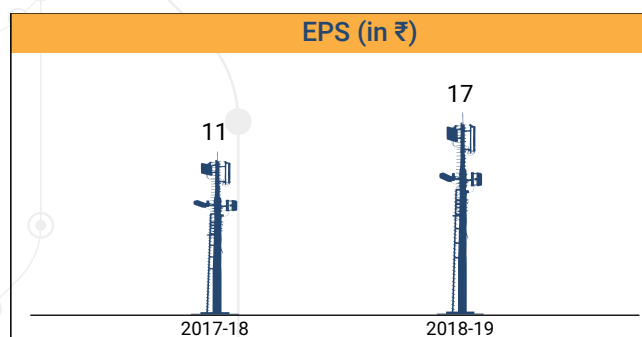
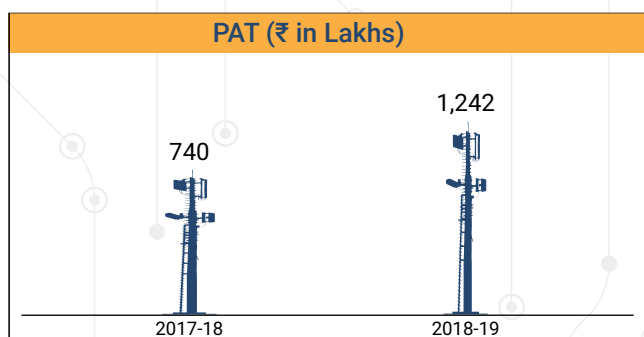
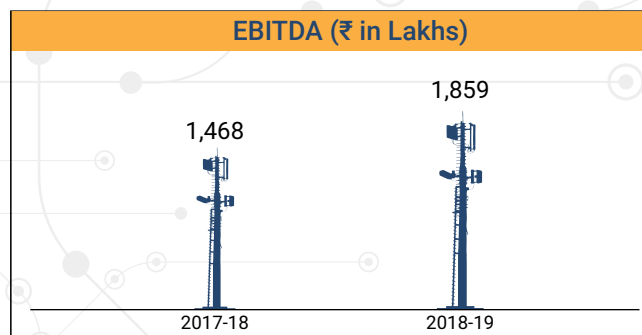
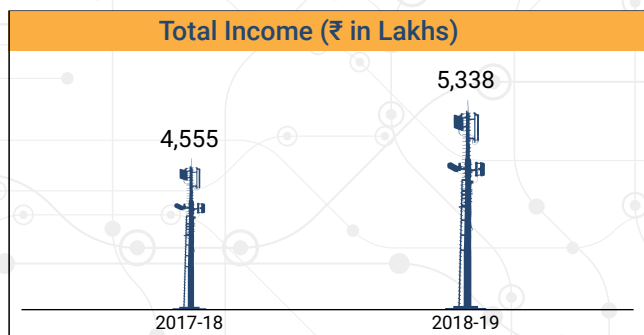
Infrastructure Engineering Services

- Our Architecture and Building Engineering services includes providing designs with respect to mechanical, electrical & plumbing and building management system.
- We also provide flexible, scalable content designs, development/production services to our customers.
- Our innovative engineering services and enterprise software solutions help customers to gain a competitive advantage by enhancing productivity and improving quality of entire operation, from planning and installation to network maintenance and upgrades.

Software – Development, IT & IoT Solutions, Web/Mobile and Cloud Solutions

- We provide design services through our flagship product “Super Pro” for CATV and telecom customers to design their Outside Plant (OSP) network.
- We have also developed a comprehensive project management software “Spatial RPM” for managing projects or large program with unique spatial intelligence. It is a comprehensive project management software for managing projects or large program with unique Spatial Intelligence.
- Our Quality and Maintenance product “AQMS” aids Telecom organizations maintain an accurate and up-to-date database for achieving full benefit of Geospatial Applications and maintain high quality databases.

Financial Momentum



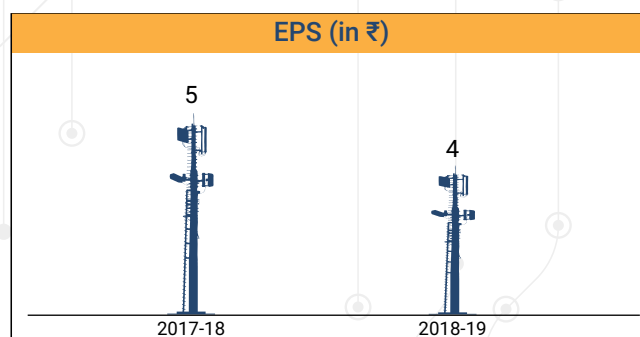
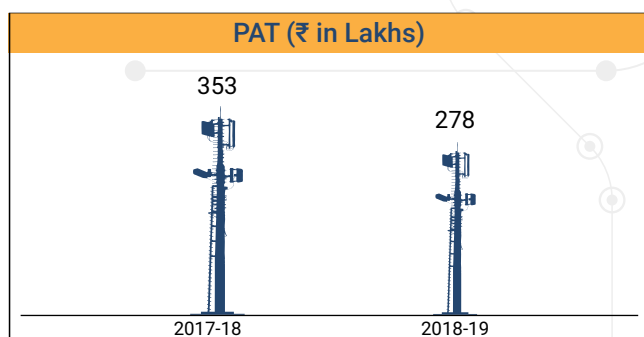
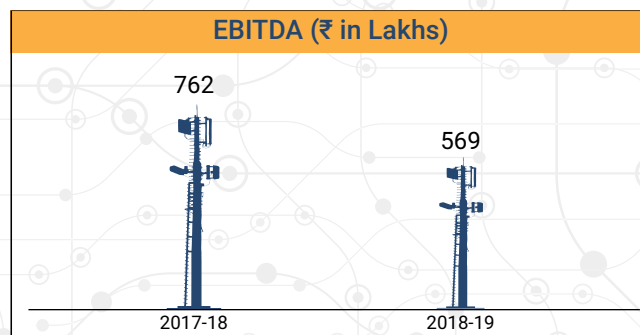
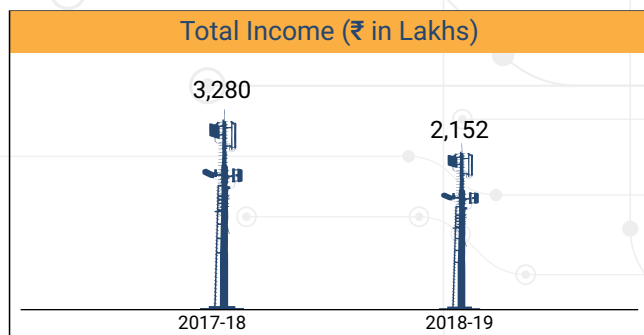
Consolidated

(₹ in Lakhs)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Revenue	5,338.32	4,554.88	4,363.60	3,199.32	2,440.95
Total Expenses	3,826.13	3,667.77	3,146.76	2,388.96	1,710.89
EBITDA	1,859.68	1,467.96	1,691.68	1,008.85	882.43
Finance Cost	55.44	193.63	157.37	88.12	61.34
Depreciation	292.05	377.13	317.47	110.37	91.03
PBT	1,512.19	887.1	1,216.84	810.36	730.06
Tax Expenses	274.03	152.47	119.88	258.78	260.6
PAT	1,241.89	739.76	1,094.79	551.74	468.4

Accounting Ratios

	2018-19	2017-18	2016-17	2015-16	2014-15
EPS (in ₹)	16.55	11.46	20.26	51.04	43.33
RONW	20.00%	14.92%	37.79%	30.57%	36.70%
NAV (in ₹)	82.78	66.1	53.63	167.03	118.14

**Standalone**

(₹ in Lakhs)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Revenue	2,152.08	3,280.83	2,833.46	3,154.71	2,315.24
Total Expenses	1,748.17	2,805.21	2,439.23	2,336.36	1,613.29
EBITDA	569.37	762.21	770.65	1,008.65	842.26
Finance Cost	24.59	161.16	128.53	88.12	61.34
Depreciation	140.88	115.33	247.88	102.18	80.68
PBT	403.90	475.62	394.23	818.35	701.95
Tax Expenses	126.21	122.47	126.23	258.78	258.88
PAT	277.69	353.15	268.00	559.57	441.34

Accounting Ratios

	2018-19	2017-18	2016-17	2015-16	2014-15
EPS (in ₹)	3.70	5.47	4.96	51.79	40.85
RONW	7.00%	9.35%	12.68%	30.33%	33.66%
NAV (in ₹)	52.86	50.37	39.11	170.74	121.36

Board of Directors



**Nallani
Chakravarthi
Venkata
Rangacharya**

Promoter and
Managing Director



Mr. N.C.V. Rangacharya is the Managing Director of Cadsys (India) Limited. A civil engineer and an M. Tech graduate from Indian Institute of Technology, Chennai, Mr Rangacharya has acquired immense knowledge and extensive experience in Software Development, CAD and Marketing. He is also an expert in workflow designing and process re-engineering which is an essential requisite in an Information Technology Enabled Services (ITES) industry. Ever since the inception of the company, Mr. Rangacharya has built a team of professionals in all significant area of business, such as Research & Development, Marketing and Technical, finance and administration. Under the aegis of Mr. Rangacharya, the sales and the profit of the company have been marking a consistent growth. Entrepreneurship Development Institute, a Government of India undertaking awarded him as the "Entrepreneur of The Year" for the year 2004 recognizing and appreciating his exceptional entrepreneurial capabilities.

**Nallani
Chakravarthi
Padmaja**

Whole time
Director cum Chief
Financial Officer



Nallani Chakravarthi Padmaja is the Whole time Director cum Chief Finance Officer handling the administrative and financial affairs of the Company. She holds an advance Post Graduate Diploma in Management from Dr. B.R. Ambedkar Open University. Prior to Cadsys, she was one of the leading members of Hyderabad Stock Exchange. With over 20 years of experience in the fields of Finance, Administration and General Management of the Company Affairs, Ms Padmaja has been contributing to the her expertise in the management of the Company.

**Nallani
Chakravarthi
Madhavi**

Non-Executive
Director



NC Madhavi is an Non – Executive Director of the Company. She holds a Master's degree in Computer Application from Osmania University. She has been associated with the Company in the capacity of a director since 20th March, 2005.

Mr. Nagarajan holds a Bachelor's degree in Science from Osmania University and a Bachelor's degree of Technology in Engineering (Computer Science) from University of Hyderabad. He has over twenty five years of experience in software industry which includes a seven year stint at USA. Prior to joining Cadsys, Nagarajan headed software product development at GE Power Control. Mr. Nagarajan started his career as a software engineer at TCS and later had rich experience managing IT and software development projects at top tier companies such as Pfizer, Marsh & McLennan in NY, Dun & Bradstreet NJ, Hyperion Financials CT. He has been associated with the Company in the capacity of a director since 30th April, 2012.



**Sripadarajan
Nagarajan**

Non-Executive
Director

Mr. Sridhar is an Independent Director of the Company. He holds a Bachelor's degree in Technology from Kakatiya University. He has been associated with the Company in the capacity of a director since 1st April, 2017.



**Sai Sridhar
Sangineni**

Independent
Director

Mr. Appalacharyulu Chilakamarri (DIN: 01601712) is a Fellow Member of The Institute of Chartered Accountants of India (ICAI) having 28 years of post-qualification experience in the area of Finance, Direct, Indirect Taxes and Company Law Matters. His area of experience include Direct and Indirect Taxes including GST, Costing, Internal Audit, Internal Control Systems, Company law matters, Finance Management, Audits of Pharma, Software, ARCs and Banks. Mr. Charyulu has served in the Board of Companies like SIRIS Limited, SDI Limited over a period of 18 years.



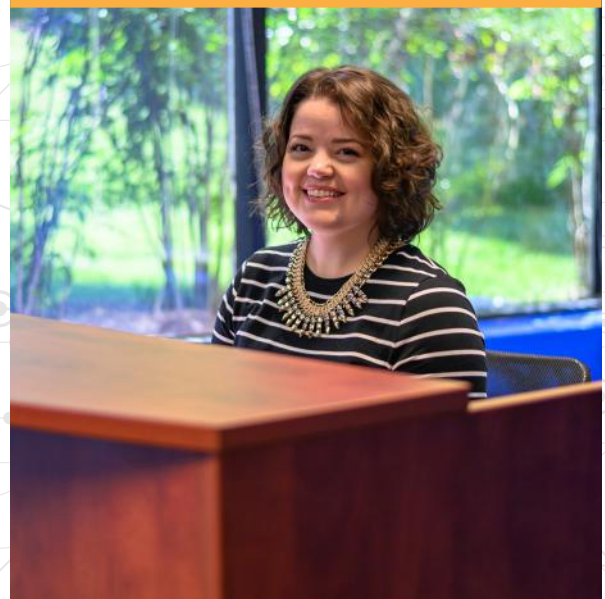
**Mr. Appalacharyulu
Chilakamarri**

Independent
Director

Delighted workspace Delightful Customers

Cadsys values its human resources, as we nurture the growth of numerous professionals under our care. For the smooth functioning of the organisation, we ensure enthusiasm and a spirit to learn so as to foster talent and help the employees achieve more in their career. Since our workforce is the company's biggest asset, we make no issues in enhancing their skills and laying a foundation for a better life for them. The focus is on cultivating a pool of talent, which will help Cadsys scale more heights in the coming future. We pay special attention to the scouting of our workforce, to ensure the hiring of the right people so as to motivate a proactive work environment. For the bright future of the company, our human resource is a crucial factor and Cadsys forever upholds its importance.





Annexure - V

MASTISHK Cadsys CSR

- 1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Cadsys (India) Limited has initiated the CSR activity by forming a trust known as "Mastishk Support Group". Mastishk in Sanskrit means "MIND". The primary objective of Mastishk Support Group is to help persons with Epilepsy and Stroke- Mind Disorders.

About 65 Million people around the world live with epilepsy; of which 12 Million people belong to India. Unfortunately 8 out of 10 people with epilepsy in developing nations do not receive appropriate treatment. In addition, though Epilepsy is not necessarily a disqualifying disability for a normal life; but many misconceptions still persist even in the society. Mastishk, through its activities, educates people with epilepsy to know the extent of treatment options available to help control their seizures. The support group enables networking of people which include epilepsy specialists and people with epilepsy. This will ensure that they are aware of the latest and greatest treatment options available to them.

The mission of Mastishk Support Group is to "To empower/enable persons with epilepsy to take charge of their lives". Epilepsy support group provides inputs of a multi-disciplinary health care team available to provide medical care, consider surgery or other therapies, and help individuals with epilepsy and their families to manage and cope with the impact on their lives. The ultimate goal of this group is to empower persons with epilepsy to achieve freedom from seizures and freedom for side effects by undertaking following activities.

CSR policy

The CSR policy of the Company aims to identify and support all projects/programs undertaken as part of the Company's Corporate Social Responsibilities within the framework of Section 135 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy will serve as a guiding document to help identify, execute and monitor CSR projects in keeping with the spirit of the Policy.

- 2) Overview of projects or programs proposed to be undertaken:

Mastishk Support Group has proposed to provide assistance with respect to finance and conducting awareness programs for people suffering from Epilepsy and Stroke.

- 3) Web - link to the CSR policy : <http://www.mastishk.org>

- 4) The Composition of the CSR Committee:

Sr. No.	Name of the Directors	Designation in the Committee
1.	Nallani Chakravarthi Venkata Rangacharya	Chairman
2.	Nallani Chakravarthi Padmaja	Member
3.	Sai Sridhar Sangineni	Member

- 5) Average net profit of the Company for last three financial years prior to 2018-19: ₹ 5,58,79,185/-.

- 6) Details of CSR spent during the financial year:

Sr. No.	Particulars	Remarks
1.	Total amount to be spent for the financial year 2018-19	Provision has been made for approx ₹ 33.93 Lakhs. Out of which ₹ 20 Lakhs has been transferred to Mastishk
2.	Amount spent, if any;	₹ 5,70,000/-
3.	Manner in which the amount spent during the financial year is detailed below	-

7)

Sr. No	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other; (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Mastishk Support Group	Medical	Telangana	₹ 20 Lakhs has been transferred to Mastishk (including ₹ 10 Lakhs transferred on 10.06.2019)	₹ 5,70,000/-	₹ 5,70,000/-	Mastishk Support Group

- 8) In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report -

Taking into account the commitments made by the Mastishk Group for the CSR projects/programmes which are in progress, the Group has made all sincere and committed attempts to help the best and the deserving patients who were in need of Financial assistance. However, the applications received for the support aid did not fulfill the eligibility criteria. Hence, the Group has been making its best endeavors to explore best avenues to fulfill its objectives and to spend the money accordingly.

- 9) The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and the policy of the Company.

For Cadsys (India) Limited

Sd/-

Sd/-

N.C.V. Rangacharya
Managing Director
DIN: 01067596

N.C. Padmaja
Whole Time Director
DIN: 01173673

Date: 28th May, 2019
Place: Hyderabad

Management Discussion and Analysis



I. INDUSTRY DOMAIN STRUCTURE AND DEVELOPMENTS

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Export revenue of the industry is expected to grow at 7-9 per cent year-on-year to US\$ 135-137 billion in FY19. The industry is expected to grow to US\$ 350 billion by 2025 and BPM is expected to account for US\$ 50-55 billion out of the total revenue. The market survey reveals that, the software products and engineering services (ITeS) contributed up to US \$ 33 billion during FY 2018 which is 83.9% of that revenue was earned from export of software and related services.

It is significant to mark how the Indian companies have achieved global presence over the past few years, emerging as one of the world's fastest growing sourcing destination for Information Technology and IT enabled services across the world. Contributing approximately 55% market share (US \$185-190 Billion) to Global Services Sourcing Business in 2017-18, India continues to grow rapidly as compared to overall IT-BPM Industry of the world. India since the advent of technology in the 21st century, has been aggressive in building an effective demand and supply route for the technology growth compared to other developing countries. More importantly, the IT industry has led the economic transformation of the country and altered the perception of India in the global economy.

What makes India an attractive destination for global giants in IT and ITES is the cost competitiveness. India's cost competitiveness in providing IT services is approximately 3-4 times economical than the US. This continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market.

India's IT &ITeS industry grew to US\$ 181 billion in 2018-19. Exports from the industry increased to US\$ 137 billion in FY19. Over the years, Government of India introduced several initiatives to promote this industry. Additionally, several states have extended benefits to the industry members in terms of tax subsidy, contracting software technology parks, etc. Utilizing one such initiative introduced by Government of Andhra Pradesh under its IT Policy 2015-2020, the Company purchased a land in Mangalgiri, Guntur District, Andhra Pradesh state to construct new facility (as an SEZ company) to promote employment to the youth of India. The policy specifies certain effective benefits for companies functioning out of Special Economic Zone.

<https://www.ibef.org/industry/information-technology-india.aspx>, <https://www.indiaservices.in/it-ites>.

GIS Engineering Services and Software Services:

Cadsys has been providing a comprehensive range of geospatial information system (GIS) and engineering services to the companies in communications, utility, energy and rail industries. In addition, Cadsys also specializes in designing and developing next-generation fiber network and systems. The in-depth knowledge of geospatial data, our round-the-clock dual-shore service model has proven to enable us deliver high quality results at substantially lower cost. However, all project management and technology development are conducted by our US-based management team.

Cadsys is backed up by team of designing professionals who are highly experienced, possess extensive knowledge and expertise in engineering and designing all aspects of Outside Plant Network infrastructure, fiber network operations and Field Services.



II. CADSYS STRENGTHS AND OPPORTUNITIES

One of Cadsys's significant strength is its ability in scaling up the resources due to availability of large pool of qualified and experienced staff. Cadsys always works out aggressive and attractive pricing with prime focus on customer and project need. *Inter-Alia*, few major strengths of the Company that thrives Cadsys to what it is today are given below:

● Established relationships with customers and suppliers over the years.

We have established long-term relationships with our clients. Our unflinching commitment to 'Value-based growth' became the corner-stone of our existence. We have now added 3 new customers during FY 2018-19. The overall number of customers are 35. Our commitment to client satisfaction serves to strengthen our relationships. This relationship capital built over the years translated to a competitive strength as we are in a position to leverage these relationships to build scale. Cadsys's experienced team, combined with innovative

technology, software capabilities, and formally documented procedures helps the Company will deliver a most successful outcome for the projects.

● Leverage quality processes and project management capabilities

We leverage in excellent quality processes and project management capabilities. Our philosophy since inception is to build and provide services through proprietary service delivery accelerators. We provide a comprehensive solution to address the need of our customers by using Cadsys's proprietary conflation tool. This Data conflation software solution has enabled Utility companies to align existing data with a new and more spatially accurate land base source. We specialize in providing highly accurate conflation and realignment solutions at substantially low costs, and thereby meeting the geospatial needs of organizations of varied strengths. Our project management software is a unique Spatial Intelligence for managing spatial projects. This software was conceptualized by experts in the field who have ensured that the features in software enable managing all the nuances of projects, objectively.

● Demonstrated track record of delivery.

Our operations involve developing a workflow that balances the onshore customer service and offshore back office strengths. Our blended onshore and offshore delivery model offers a smart balance of quality, cost savings and localizations. This model enables us to achieve consistently high standards of quality in our delivery organization while optimizing the costs for our clients.

● Strong pool of technically -qualified base of IT professionals

The senior management team includes some of the most experienced managers in the Indian IT services industry. Few of our senior management team have been with us for over 10 (ten) years and have been instrumental in the growth of our Company. Our Promoter and Managing Director is recognized as one of the pioneers in the IT services industry. He is the member on the Board of Governors at Tiruchirappalli Regional Engineering College (TREC), Science and Technology Entrepreneurs Park (STEP). A cohesive team of our experienced senior management from India and USA coupled with trained managers and skilled employees enables us to identify new avenues of growth and help us to implement our business strategies in an efficient



manner and to continue to build on our track record of successful projects.

III. RISKS AND THREATS IN IT and ITes INDUSTRY

- Increased Competition from Local & Global Players
- Security impediments to data acquisition / dissemination
- Change in Government Policy with respect to mapping projects
- Less awareness and encouragement for use of geospatial technology.
- Government policies with respect to immigration.
- Upskilling and reskilling of the workforce.

IV. OUTLOOK / STRATEGIES:

Adding new age technology such as Artificial Intelligence, machine learning has become path of choice for the utility, communication companies. At Cadsys, our highly experienced professionals work relentlessly to develop innovative solutions that cater to the new age technological needs. This includes adapting, remolding, renovating existing resources to not just address the existing challenges but also provide a sustainable solution. As part of our expansion program, Cadsys has widened its services by creating market presence in the foreign market through its Subsidiary "Apex Advance

Technologies LLC", USA. It has made a global footprint of long-standing relationships with major companies in US, UK, Middle East and Australia. Further, to create a niche for itself, Cadsys has also created "Concord Pro", an innovative and cost effective conflation software. This software helps the utility companies to combine their network data to form a new land base that gives more accurate data.

Cadsys warrants higher customer satisfaction for its varied services and the customised software products that we develop help our Customers meet each of their specific requirements. Cadsys also proposes to enter the market using IoT offerings with predictive analytics and asset-monitoring software. Using our solutions utilities can improve equipment reliability and performance while avoiding potential failures. These solutions provide the information needed to prioritize maintenance and reduce operational and maintenance expenditures.

In the next 5 year plan, your Company aims to help communications, engineering, and utility organizations to manage more effectively their people, data, and infrastructure. Take maximum leverage of innovative engineering services and enterprise software solutions to gain a competitive advantage by enhancing productivity and improving quality of your entire operation, from planning and installation to network maintenance and upgrades.

V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

To ensure effective maintenance of Quality and Administrative processes Our Company has adopted and implemented in certain internal control systems. Our ISO 9001:2008 QMS and ISO 27001 ISMS certifications are proof of our unflinching commitment to perform jobs with the concept of "zero errors and quality first" approach and our highest level of integrity in maintaining customers data secure.

The Finance and Compliance Department implements and monitors the internal control environment and compliance with statutory requirements. As required under the Companies Act, 2013, the Company has appointed A.V. Ratnam & Co., Chartered Accountants as the Internal Auditor of the Company who is continuing to perform Internal Audit and maintain the internal financial controls of the Company from time to time. Further, the Company also, appointed Mr. Nitesh Kumar Agarwal, practicing company secretary, partner at RANJ &

Associates, a company secretary firm as the Secretarial Auditor of the Company to perform the Secretarial Audit for the FY 2019-20.

Further, it is the top priority for the management of the Company to focus on the safe and secured environment to work for women especially. Therefore, to maintain this safe and secured work environment, the Company has in place various policies such as Prevention of Sexual Harassment Policy to take stringent actions against any unforeseen behaviour or actions.

VI. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Cadsys possesses requisite human resource in the form of 400+ professionals that include Engineers, Designers and 3D Modelers, based out of its GIS Centers at Hyderabad. The company's team provides assistance and practical support on all aspects of Outside Plant network infrastructure and Field operations. The Company also provide flexible, scalable content design, development/production services to the customers. Cadsys' multi-discipline team has expertise on all leading Geospatial softwares including ESRI's ArcGIS, GE Smallworld, Intergraph's G/Tech, CIMAGE, ICGS, Byers EWO, SpatialNET, CableCAD, AutoCAD, Microstation, BSTCAD and proprietary GIS platforms like LODE, FOCUS etc. Keeping in view the ever changing global business environment, it is imperative for the Company to consistently build, develop, upgrade and train the existing workforce with new skills by providing appropriate avenues, knowledge material, soft skills and more importantly personality skills (such as leadership, responsibility, motivation, communication).

VII. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

From the Standalone Profit and Loss statement for the 2019 Fiscal, it is indicative that Revenue reduced from ₹ 3,280 Lakhs to ₹ 2,152 Lakhs. This reduction due to our increased business operations on the on-shore facility. Previous year the Company had undertaken domestic projects for GMR Airport. Major part of the work was subcontracted out and the margins were very low on the project for the kind of effort put by the company. Hence this year the company has decided not to undertake any domestic projects. However, the revenue indicated in the consolidated financials

showcase a steep raise in the revenue from ₹ 4,555 Lakhs in 2017-18 to ₹ 5,338 Lakhs in FY 2019. Though the turnover got decreased the profit of the company has increased. Many customers who just gave pilot projects last year have started giving regular jobs reiterating the strong performance of your company and added 3 new customers to the Company.

The Other Operating Expenses have been reduced by ₹ 10.75 crores i.e. by 74%. This is due to the reduction in Job Work Charges by ₹ 8.45 crores which are the charges for sub-contracting of the domestic projects. The Job Work charges have come down in tandem with the domestic income. Every Company thrives to balance the expenditure to Return. It is the similar obligation of the Company to safeguard the interest of the shareholders and thrive continuously expanding the market presence of the Company and simultaneously increase the return on Equity Employed.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements based on certain assumptions and expectations of future events. The Company, therefore, cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements can thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.



Board's Report



To,
The Members,
Cadsys (India) Limited

Dear Members,

Your Directors are pleased to present the 27th Annual Report of your Company on the business and operations of the Company together with the Audited Financial Statements for the financial year ended on 31st March, 2019, the Board's Report and the Auditor's Report thereon. The summary of financial performance of the Company and its Subsidiaries for the year under review is given hereunder:

DISCLOSURES AS PER RULE 8(5) OF COMPANIES (ACCOUNTS) RULES, 2014:

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the financial year 2018-19	For the financial year 2017-18	For the financial year 2018-19	For the financial year 2017-18
Total Revenue	2,152.08	3,280.83	5,338.32	4,554.88
Total Expenses	1,748.17	2,805.21	3,826.13	3,667.77
Finance Cost	24.59	161.16	55.44	193.63
Depreciation	140.88	115.33	292.05	377.13
Profit before Tax	403.90	475.62	1,512.19	887.11
Tax Expenses	126.21	122.47	274.03	142.38
Profit after Tax	277.69	353.15	1,241.89	739.76
Earnings per share (Basic & Diluted)	3.70	5.47	16.55	11.46

FINANCIAL PERFORMANCE

Your Company has performed excellently during the period under review showing a tremendous growth in terms of revenue that has been generated from its projects in India and abroad. On a Consolidated basis, the revenue for the year under review was ₹ 5,338.32 Lakhs, higher by 17.20% over the previous year's revenue of ₹ 4,554.88 Lakhs. The PAT attributable to the members was ₹ 1,241.89 Lakhs registering a growth of 67.88% over the PAT of ₹ 739.76 Lakhs for the previous year.

On an Unconsolidated basis, the revenue for the year under review was ₹ 2,152.08 Lakhs against the previous year's revenue of ₹ 3,280.83 Lakhs. The PAT attributable to the

members was ₹ 277.69 Lakhs against the PAT of ₹ 353.15 Lakhs for the previous year.

Your Directors are continuously making effort for the future growth and expansion of the Company by exploring all possible avenues in the market both in India and abroad.

Further, during the year under review, there were no changes in the Nature of Business of the Company.

EXPORTS

The exports of the Company continue to be a major chunk of revenue accounting for a volume of ₹ 2,033.76 Lakhs, representing 98.62% of the total revenue of ₹ 2,062.26 Lakhs during the year under review.



TRANSFER TO RESERVES IN TERMS OF SECTION 134(3)(J) OF THE COMPANIES ACT, 2013

For the financial year ended on 31st March, 2019, the Company has not transferred any amount to Reserves.

DIVIDEND

Your Board of Directors has recommended a Final Dividend for the Financial Year ended on 31st March, 2019, at the rate of 12.5% i.e., ₹ 1.25/- per Equity Share having Face Value of ₹ 10/- each, subject to approval of the Members at the ensuing 27th Annual General Meeting (AGM) of the Company.

The Dividend will be paid to the Members whose names appear in the Register of Members of the Company as on the Record Date.

TRANSFER OF UNPAID & UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, declared dividends along with underlying equity shares which remained unpaid or unclaimed for a period of seven years are supposed to be transferred to IEPF. Presently, there is no amount which is required to be transferred to IEPF by the Company, as there is no unpaid/unclaimed dividend pending.

SHARE CAPITAL

During the year under review, there has been no change in the Share Capital of the Company. Your Company has one Class of Shares, i.e., Equity Shares of face value ₹ 10/- each. The Authorized Share Capital of your Company is ₹ 850 Lakhs comprising of 85 Lakhs Equity Shares of ₹ 10/- each.

Further, the issued, subscribed and the Paid-up Share Capital of your Company as on 31st March, 2019 is ₹ 750.25 Lakhs.

EXTRACT OF ANNUAL RETURN

The Extracts of Annual Return in Form No. MGT-9, pursuant to provisions of sections 92 (3) and 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2014 forms part of this report as "**ANNEXURE-I**" and also been placed on the website of the Company, the web address for which is <http://www.cadsystech.com/investor/>.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Board represents an optimum mix of professionalism, knowledge and experience. The Company's policy is to maintain optimum combination of Executive, Non-Executive Directors and Independent Directors.

Following were the Directors and Key Managerial Personnel of the Company as on 31st March, 2019:

Sr. No.	Name of the Directors	Designation	DIN/PAN
1.	Nallani Chakravarthi Venkata Rangacharya	Managing Director	01067596
2.	Nallani Chakravarthi Padmaja	Whole-Time Director and Chief Finance Officer	01173673
3.	Nallani Chakravarthi Madhavi	Non-Executive Director	01067690
4.	Sri Padarajan Nagarajan	Non-Executive Director	05262644
5.	Sai Sridhar Sangineni	Independent & Non-Executive Director	03274134
6.	Appalacharyulu Chilakamarri	Independent & Non-Executive Director	01601712
7.	Babladi Shailaja	Company Secretary and Compliance Officer	ARXPB4192L



Changes during the Financial Year ended 31st March, 2019:

I. Cessation:

During the year under review, Mr. Nandachary Mudumbi, who was Independent & Non-Executive Director of the Company, ceased to be so from the month of July, 2018 due to his sudden demise. The Board noted with profound regrets the tragic demise of Mr. Nandachary and his matchless energy, vision and business acumen that helped to build various aspects to build the Company. The Board expressed its condolences to his family and resolved to lend its support and expressed full confidence in the Company's Management team.

II. Appointment of Director/KMP

During the year under review, Mr. Appalacharyulu Chilakamarri was appointed as Independent & Non-Executive Director on the Board of the Company, to take over the position vacated by Mr. Nandachary due to his demise, pursuant to the applicable provisions of the Companies Act, 2013 and rules made thereunder. The Company has also received declaration from the Independent Director confirming that he meets the criteria of independence as laid down under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

III. Retire by Rotation:

In accordance with the provisions of the Companies Act, 2013, Mrs Nallani Chakravarthi Madhavi, Director of the company retires by rotation at the ensuing AGM of the Company and being eligible, offers herself for re-appointment. The brief profile of the Director is presented in this Annual Report.

DECLARATION BY INDEPENDENT DIRECTORS AND STATEMENT ON COMPLIANCE OF CODE OF CONDUCT

During the year under review, necessary declarations with respect to independence has been received from all the Independent Directors of the Company and the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and the Code of Conduct for Directors and senior management personnel.

COMPOSITION OF VARIOUS COMMITTEES OF BOARD OF DIRECTORS OF THE COMPANY & ITS MEETINGS

The Board had constituted various Committees as required under the provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The provisions of Companies Act, 2013 read with Secretarial Standard – 1 issued by the Institute of Company Secretaries of India (ICSI) and SEBI (LODR) Regulations, 2015 were adhered while conducting Committee Meetings. The details of various committees constituted by the Board are covered hereunder:

I. AUDIT COMMITTEE:

Audit Committee was constituted to monitor, oversee and provide effective supervision of the management's financial reporting process with a view to ensuring accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting. The Committee adheres to the compliance with the applicable provisions under the Companies Act, 2013 and rules made thereunder. The committee policy is available on the website, at <http://www.cadsystech.com/investor/>.

During the year under review, the Composition of the Audit Committee was changed due to cessation of Mr. Nandachary Mudumbi and he was then replaced by new Independent Director, i.e., Mr. Charyulu Chilakamarri. As such, the post re-composition members of the Committee are as shown below.

Composition of Audit Committee:

Sr. No.	Name of the Director	Designation in the Committee
1.	Nallani Chakravarthi Venkata Rangacharya	Chairman
2.	Sai Sridhar Sangineni	Member
3.	Appalacharyulu Chilakamarri	Member



Details of Audit Committee Meetings:

The Audit Committee met 4 times during the year under review on 9th May, 2018, 30th May, 2018, 9th November, 2018 and 15th February, 2019. The necessary quorum was present for all the meetings held during such year. The details of attendance of each Member at the Audit Committee meetings held during the year are as under:

Sr. No.	Name of the Director	Number wise meetings attendance				No. of Meetings Attended
		1	2	3	4	
1.	Nallani Chakravarthi Venkata Rangacharya	✓	✓	✓	✓	4
2.	Sai Sridhar Sangineni	✓	✓	✓	✗	3
3.	Appalacharyulu Chilakamarri*	NA	NA	NA	✓	1
4.	Nandachary Mudumbi**	✓	✗	NA	NA	1

* Appointed w.e.f 19th December, 2018.

** Associated until 30th June, 2018.

II. NOMINATION AND REMUNERATION COMMITTEE:

The Committee was constituted to 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 General Meeting. The Committee also designs, benchmarks and continuously reviews the compensation program for the Board and senior management against the achievement of measurable performance goals. The Committee adheres to the compliance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder. The committee also regularly reviews from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration. The committee policy is available on our website, at <http://www.cadsystech.com/investor/>.

During the year under review, the Composition of the Nomination and Remuneration Committee was also changed due to cessation of Mr. Nandachary and he was then replaced by new Independent Director, i.e., Mr. Appalacharyulu Chilakamarri. As such, the post re-composition members of the Committee are as shown below.

Composition of Nomination and Remuneration Committee:

Sr. No.	Name of the Directors	Designation in the Committee
1.	Sai Sridhar Sangineni	Chairman
2.	Sripadarajan Nagarajan	Member
3.	Appalacharyulu Chilakamarri	Member



Details of Nomination and Remuneration Committee Meetings:

The Nomination and Remuneration Committee met 3 times during the year under review on 9th May, 2018, 30th August, 2018 and 9th November, 2018. The necessary quorum was present for both the meetings. The details of attendance of each Member at the Nomination & Remuneration Committee meetings held during the year are as under:

Sr. No.	Name of the Director	Number wise meetings attendance			No. of Meetings Attended
		1	2	3	
1.	Sai Sridhar Sangineni	✓	✓	✓	3
2.	Sripadarajan Nagarajan	✓	✓	✓	3
3.	Appalacharyulu Chilakamarri*	NA	NA	NA	0
4.	Nandachary Mudumbi**	✓	NA	NA	1

* Appointed w.e.f 19th December, 2018.

** Associated until 30th June, 2018.

III. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The Stakeholder's Relationship Committee was constituted to review matters related to grievances of Shareholders and Investors. The committee primarily focuses on review of investor complaints, its redressal and queries received from investors i.e. transfer of Shares, issue of Duplicate Share Certificates, non-receipt of Annual Reports, Dematerialization/ Re-materialization etc. and also reviews the reports presented by the Share Transfer Agents of the Company. The Committee adheres to the compliance with the applicable provisions of Companies Act, 2013 and rules made thereunder.

Composition of the Stakeholder's Relationship Committee:

Sr. No.	Name of the Directors	Designation in the Committee
1.	Nallani Chakravarthi Madhavi	Chairperson
2.	Nallani Chakravarthi Padmaja	Member
3.	Nallani Chakravarthi Venkata Rangacharya	Member

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee (CSR) of the Board of Directors meets the criteria laid down under Section 135 of the Companies Act, 2013 and Rules made therein. Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act. Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy. Monitor the CSR Policy.



Composition of the Corporate Social Responsibility Committee:

Sr. No.	Name of the Directors	Designation in the Committee
1.	Nallani Chakravarthi Venkata Rangacharya	Chairman
2.	Nallani Chakravarthi Padmaja	Member
3.	Sai Sridhar Sangineni	Member

Details of Corporate Social Responsibility Committee Meetings:

CSR Committee met once during the year under review on 30th March, 2019. The details of attendance of each Member at the CSR meetings held during the year are as under:

Sr. No	Name of the Directors	Number wise meetings attendance	No. of Meetings Attended
		1	
1.	Nallani Chakravarthi Venkata Rangacharya	✓	1
2.	Nallani Chakravarthi Padmaja	✓	1
3.	Sai Sridhar Sangineni	✓	1

BOARD MEETINGS

The provisions of Companies Act, 2013 read with Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and SEBI (LODR) Regulations, 2015 were adhered while conducting Board Meetings. The details of the Board Meetings are covered hereunder:

Details of Board Meetings:

During the FY 2018-19, the Board of Directors met 5 times on 10th May, 2018, 30th May, 2018, 1st September, 2018, 9th November, 2018 and 15th February, 2019.

Sr. No.	Name of the Directors	Number wise meetings attendance					No. of Board Meetings Attended
		1	2	3	4	5	
1.	Nallani Chakravarthi Venkata Rangacharya	✓	✓	✗	✓	✓	4
2.	Nallani Chakravarthi Padmaja	✓	✓	✓	✓	✓	5
3.	Nallani Chakravarthi Madhavi	✓	✓	✓	✓	✗	4
4.	Sripadarajan Nagarajan	✓	✓	✓	✓	✓	5
5.	Sai Sridhar Sangineni	✓	✓	✓	✓	✗	4
6.	Appalacharyulu Chilakamarri*	NA	NA	NA	NA	✓	1
7.	Nandachary Mudumbi**	✓	✗	NA	NA	NA	1

* Appointed w.e.f 19th December, 2018.

** Associated until 30th June, 2018



POSTAL BALLOT

During the year under review, the Company had sought the approval of the members through notice of postal ballot dated 9th November, 2018 pursuant to the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder. Resolutions passed under Postal Ballot are as follows:

- Appointment of Mr. Appalacharyulu Chilakamarri as an Independent Director of the Company and
- Increasing the limits of Loans, Investments and Guarantee.

Both the aforementioned resolutions were duly passed and the results of which were announced and submitted on 21st December, 2018 with the NSE Emerge.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the provisions of the Secretarial Standards applicable to the Company, i.e., Secretarial Standard-1 (SS-1) for Board and Committee Meetings and Secretarial Standards – 2 (SS-2) for General Meetings issued by the Institute of Company Secretaries of India (ICSI) were adhered to while conducting the respective Meetings.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board of Directors of the Company has framed a policy on the appointment and remuneration to Directors and senior management personnel. The objective of the policy is to formulate the criteria for determining qualifications, competencies, positive attributes and recommend to the Board policies relating to the remuneration of Directors, Key Managerial Personnel and Senior Management personnel. The details of remuneration paid during the Financial Year ended 31st March, 2019 are mentioned under the Form No. MGT – 9 which is forming part of this Boards' Report.

PERFORMANCE EVALUATION OF THE BOARD

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and rules made thereunder.

The performance of the Board and the committees was evaluated by the Board, after seeking inputs from all the Directors and the members of the Committees, on the basis of the criteria such as the composition and structure, effectiveness of Board and Committee processes, information and functioning, etc. The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee Meetings.

Separate meeting of Independent Directors was held to evaluate the performance of non-independent Directors, performance of the Board as a whole taking into account the views of Executive Directors and Non-Executive Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- (i) For the preparation of the annual financial statements for the year ended 31st March, 2019, the applicable accounting standards have been adopted and followed;
- (ii) The applicable accounting policies are applied consistently to make judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs and profits of the company as at the end of the financial year under review;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a "going concern basis";
- (v) Proper internal financial controls were in place and followed by the Company and that such internal financial controls are adequate for effective operations; and
- (vi) Proper systems are devised by the Company to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

A. Conservation of energy:

(i)	the steps taken or impact on conservation of energy	Efforts are made towards minimizing wastage in all areas of operations of the Company.
(ii)	the steps taken by the company for utilizing alternate sources of energy	
(iii)	the capital investment on energy conservation equipment's	No additional investment was made for reduction in consumption of energy.

B. Technology absorption:

During the year under review there has been no transaction of technology absorption.

C. Foreign Exchange earnings and outgo (₹ in Lakhs)

Particulars	Financial Year 2018-19	Financial Year 2017-18
Foreign Exchange Earnings	2,033.76	2,133.02
Foreign Exchange Outgo	38.05	10.43

CONSOLIDATED FINANCIAL STATEMENTS OF SUBSIDIARIES

As on 31st March, 2019 your Company has following subsidiaries:

Sr. No	Name of the Company	Percentage of Holding
1)	Apex Engineers (India) Private Limited	80%
2)	Apex Advanced Technology LLC, USA	100%
3)	Cadsys Technologies LLC, USA	97.56%

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of Financial Statements of subsidiary companies in Form No. AOC-1 forms part of Board's Report as "ANNEXURE-II".

COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES/JOINT VENTURES AND ASSOCIATE COMPANIES

There are no other companies which have become or ceased to be its subsidiaries/joint venture/associate companies during the year.

RELATED PARTY TRANSACTIONS

All the related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. The Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed Form AOC-2 pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, forms part of this report as "ANNEXURE-III".

All Related Party Transactions are placed before the Audit Committee before the Board for approval. The Board of Directors of the company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its related parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules framed thereunder. Policy for Related Party Transactions has been uploaded on the website of the company. The web address of the same is <http://www.cadsystech.com/investor/>.

UNSECURED LOANS FROM DIRECTORS/ RELATIVES OF DIRECTORS

During the year under review, the Company has not accepted any unsecured loans from Directors/Relatives of Directors pursuant to provisions of Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company has invested additionally a sum of ₹ 301.95 Lakhs in Apex Advanced Technology LLC, USA, i.e., wholly owned subsidiary Company, making the total investment in the said Subsidiary to a sum of ₹ 2,192.83 Lakhs as at 31st March, 2019. Apart from the said investment, the Company did not give any Loans or provided Guarantees or any security during the year under the provisions of Section 186 of the Companies Act, 2013.



DEPOSITS

The Company has not accepted any public deposits and as such no amount on account of principal or interest on public Deposits was outstanding as on 31st March, 2019.

PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report as **"ANNEXURE-IV"**. Further, the Company has no employee drawing remuneration exceeding the limits prescribed under Section 197(12) of Companies Act, 2013 read with Sub-Rule 2 of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

RISK MANAGEMENT

Risk management is the process of identification, assessment, and prioritization, of risk followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has laid a comprehensive risk assessments and minimization procedure which is reviewed by the Audit Committee and approved by Board.

VIGIL MECHANISM

In accordance with the provisions of Section 177 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Company has formulated a vigil mechanism to address the instances of fraud and mismanagement, if any. The policy can also be accessed on the Company's website the web address for which is <http://www.cadsystech.com/investor/>.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2)(e) of the SEBI (LODR) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

CORPORATE GOVERNANCE

The Company is listed under Chapter XB of the SEBI (Issue of

Capital and Disclosure Requirements) Regulations, 2009, i.e., on SME Platform of National Stock Exchange of India Limited - NSE EMERGE. As such, according to Regulation 15(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliances with respect to Corporate Governance disclosures are not applicable to your Company. However, your Company strives to incorporate the appropriate standards for Corporate Governance in the interest of the stakeholders of the Company.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year and the date of the Boards' report other than as disclosed in this Report.

COMPLIANCE WITH PROVISIONS OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to uphold and maintain the dignity of woman employees and Company has in place a POSH policy as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. A copy of the policy can also be accessed on the Company's website, the web address for which is <http://www.cadsystech.com/investor/>.

Your company has constituted Internal Complaints Committee as required under the said Act to oversee the complaints received, if any, and to redress the same. Your Directors further state that during the year under review, there were no cases filed pursuant to said Act. Also, Company frequently conducts workshop/ programmes for all the employees/ staffs briefing them about the Act and the rights of women employees at the workplace.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Corporate Social Responsibility Committee has formulated a Corporate Social Responsibility Policy (**CSR policy**) indicating the activities to be undertaken by the Company.



The CSR policy may be accessed on the Company's website <http://www.cadsystech.com/investor/>. The Annual Report on Corporate Social Responsibility (CSR) activities of the Company forms part of this Report as **"ANNEXURE-V"**.

ORDERS, IF ANY, PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there are no significant material orders passed by the regulators or Courts or Tribunals which can adversely impact the going concern status of the Company and its operations in future.

INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY

Your Company is committed to constantly improve the effectiveness of internal financial controls and processes for efficient conduct of its business operations and ensuring security to its assets and timely preparation of reliable financial information. In the opinion of the Board, the internal financial control system of the Company is commensurate with the size, scale and complexity of business operations of the Company. Further, the internal financial controls with reference to the Financial Statements are adequate in the opinion of the Board of Directors and were operating effectively.

The Company has a proper system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal, external audits and periodic review by the Management. This system is designed to adequately ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets.

AUDITORS

STATUTORY AUDITORS:

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, the Company in its 23rd Annual General Meeting (**AGM**) had appointed M/s Narven & Associates, Peer reviewed Chartered Accountants (Firm registration No. 005905S), as Statutory Auditors of

the Company, from the conclusion of that Annual General Meeting till the conclusion of the 28th Annual general Meeting to be held in the year 2020 subject to ratification by members at every AGM held during such period, if so required under the Act.

The Ministry of Corporate Affairs (MCA) vide their notification number G.S.R. 432 (E) had omitted the proviso to sub rule 7 of (Audit and Auditors) Rule 2014 with effect from 7th May, 2018 and pursuant to such notification ratification by the members in every Annual General Meeting has been done away. Considering the notification issued by MCA, the Company is not recommending the members for ratification of appointment of Statutory Auditors in this Annual General Meeting no resolution is being proposed for the same. Further the remuneration of the Auditors shall be fixed by the Board of Directors of the Company in consultation with the Auditors.

INTERNAL AUDITORS:

M/s A.V. Ratnam & Co. (M. No. 003028S), Chartered Accountants, were appointed during the year under review to perform the duties of internal Auditors of the Company and their reports are reviewed by the Audit Committee from time to time.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Sections 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed M/s RANJ & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company for the year ended on 31st March, 2019. The Secretarial Auditor's Report for the year ended 31st March, 2019 forms part of this report as **"ANNEXURE-VI"**.

Explanation to Secretarial Auditor's Observations:

Auditor's Observation:

The Company had voluntarily created the provision in the financial statement for the FY 2018-19 in respect of contribution towards Corporate Social Responsibility (CSR) activities carried out through its Mastishk Support Group, Company's Registered Trust.



Explanation:

The Board is committed towards its CSR activities and had voluntarily created provision in Financial Statements for FY 2018-19 in respect of sum allocated towards the CSR contribution to the Mastishk support Group, a Company's registered trust. Further, the CSR committee monitors the activities undertaken by the group on regular basis and endeavors to execute its CSR obligation.

COST AUDIT:

In terms of Cost (Records and Audit) Amendment Rules, 2014 dated 31st December, 2014 issued by the Central Government, the requirement for Cost Audit is not applicable to the Company.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude to members for the confidence reposed by them and thank all the members, customers, Bankers, Registrar to the Company, dealers, suppliers and other business associates for their contribution to your Company's growth. Your Directors also wish to place on record their appreciation for the contribution made by the employees at all levels without whom the growth of the Company is unattainable. Your Directors also thank the Central/State Government, for their support. Your Directors seek and look forward for the same support in future.

By order of the Board of Directors Cadsys (India) Limited

sd/-

N.C.V. Rangacharya
Managing Director
DIN: 01067596

sd/-

N.C. Padmaja
Whole Time Director
DIN: 01173673

Date: 28th May, 2019
Place: Hyderabad

Annexure - I

Form No.MGT - 9 - Extracts of Annual Return for the Financial Year ended on 31st March, 2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L72200TG1992PLC014558
ii.	Registration Date	23 rd July, 1992
iii.	Name of the Company	Cadsys (India) Limited
iv.	Category/Sub-Category of the Company	Company Limited by Share Public Non- Government Company
v.	Address of the Registered office and contact details	3-5-900/1, IV th Floor, Aparajitha Arcade, Himayath Nagar, Hyderabad-500029, Telangana, India. Phone No.: 040 – 2322 4110. Email: info@cadsystech.com Website: www.cadsystech.com
vi.	Whether listed company	Yes - SME Platform of National Stock Exchange of India Limited (NSE Emerge)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited Address: 306, Right wing, Amrutha Ville, Opposite to Yashoda Hospital, Somajiguda, Raj Bhavan Road, Hyderabad - 500082, Telangana, India. Telephone: +91 – 022 62638200 Facsimile: +91 – 022 62638299 E-mail: bsshyd1@bigshareonline.com Website: www.bigshareonline.com Investor grievance: investor@bigshareonline.com

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:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Data Processing activities including report writing	63111	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address of The Company	Country	CIN/GLN	Holding/ Subsidiary/ Associate	%of Share holding	Applicable Section
1.	Cadsys Technologies LLC USA	USA	--	Subsidiary	97.56%	2(87)(ii)
2.	Apex Advanced Technology LLC	USA	--	Wholly Owned Subsidiary	100%	2(87)(ii)
3.	Apex Engineers (India) Private Limited	India	U72200TG2004PTC042848	Subsidiary	80%	2(87)(ii)



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

i. Category-wise Shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoter*									
1)	Indian									
a)	Individual/ HUF	18,90,875	--	18,90,875	25.20%	18,90,875	--	18,90,875	25.20%	NIL
b)	Central Govt.	--	--	--	--	--	--	--	--	--
c)	State Gov.t(s)	--	--	--	--	--	--	--	--	--
d)	Bodies Corp	--	--	--	--	--	--	--	--	--
e)	Banks / FI	--	--	--	--	--	--	--	--	--
f)	Any Other (Directors Relative)	16,66,225	--	16,66,225	22.20%	16,86,225	--	16,86,225	22.48%	0.28
	Sub-total(A)(1):-	35,57,100	--	35,57,100	47.40%	35,77,100	--	35,77,100	47.68%	0.28
2)	Foreign									
g)	NRIs-Individuals	--	--	--	--	--	--	--	--	--
h)	Other-Individuals	--	--	--	--	--	--	--	--	--
i)	Bodies Corp.	--	--	--	--	--	--	--	--	--
j)	Banks / FI	--	--	--	--	--	--	--	--	--
k)	Any Other....	--	--	--	--	--	--	--	--	--
	Sub-total(A)(2):-	--	--	--	--	--	--	--	--	--
B.	Public Shareholding									
1.	Institutions									
a)	Mutual Funds	--	--	--	--	--	--	--	--	--
b)	Banks / FI	--	--	--	--	--	--	--	--	--
c)	Central Govt.	--	--	--	--	--	--	--	--	--
d)	State Govt.(s)	--	--	--	--	--	--	--	--	--
e)	Venture Capital Funds	--	--	--	--	--	--	--	--	--
f)	Insurance Companies	--	--	--	--	--	--	--	--	--
g)	FIs	--	--	--	--	--	--	--	--	--
h)	Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i)	Others (Foreign Portfolio Investor)	32,000	--	32,000	0.43%	32,000	--	32,000	0.43%	NIL
	Sub-total (B)(1)	32,000	--	32,000	0.43%	32,000	--	32,000	0.43%	NIL



	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	Non Institutions									
a)	Bodies Corp.									
(i)	Indian	2,06,000	--	2,06,000	2.75%	1,77,395	--	1,77,395	2.36%	(0.39%)
(ii)	Overseas	--	--	--	--	--	--	--	--	--
b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	13,60,000	--	13,60,000	8.13%	14,10,605	--	14,10,605	18.80%	0.67%
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	22,35,400	--	22,35,400	29.79%	22,29,400	--	22,29,400	29.72%	(0.07%)
c)	Others (Specify)	--	--	--	--	--	--	--	--	--
	Clearing members	68,000	--	68,000	0.91%	12,000	--	12,000	0.16%	(0.75%)
	NRI	44,000	--	44,000	0.59%	64,000	--	64,000	0.85%	0.26%
	Sub-total(B)(2)	39,13,400	--	39,13,400	52.17%	38,93,400	--	38,93,400	51.89%	0.28
	Total Public Shareholding (B)=(B)(1) + (B)(2)	39,45,400	--	39,45,400	52.60%	39,45,400	--	39,25,400	52.32%	0.28
C.	Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
	Grand Total (A+B+C)	75,02,500	--	75,02,500	100%	75,02,500	--	75,02,500	100%	--

ii. Shareholding of Promoter

Sr. No.	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 shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	N.C.V. Rangacharya	18,90,875	25.20%	--	18,90,875	25.20%	--	Nil
	Total	18,90,875	25.20%	--	18,90,875	25.20%	--	Nil



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

Sr. No.		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
	N.C.V. Rangacharya				
	At the beginning of the year	18,90,875	25.20%	18,90,875	25.20%
	Dilution of Promoters shareholding post Public Issue	--	--	--	--
	At the End of the year	18,90,875	25.20%	18,90,875	25.20%

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

Name of the Shareholders	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
Mrs. Shailaja Babladi				
At the beginning of the year	15,02,400	20.03%	15,02,400	20.03%
Changes during the year	--	--	--	--
At the End of the year	15,02,400	20.03%	15,02,400	20.03%
Mr. Gururaj Babladi				
At the beginning of the year	2,25,000	3.00%	2,25,000	3.00%
Changes during the year	--	--	--	--
At the End of the year	2,25,000	3.00%	2,25,000	3.00%
Mrs. N.C. Pushpavathi				
At the beginning of the year	1,85,625	2.47%	1,85,625	2.47%
Changes during the year	--	--	--	--
At the End of the year	1,85,625	2.47%	1,85,625	2.47%
Mr. C. Venugopal Prasad				
At the beginning of the year	90,000	1.20%	90,000	1.20%
Changes during the year	--	--	--	--
At the End of the year	90,000	1.20%	90,000	1.20%
Mrs. N.C. Rangamani				
At the beginning of the year	82,500	1.10%	82,500	1.10%
Changes during the year	--	--	--	--
At the End of the year	82,500	1.10%	82,500	1.10%
New Berry Capitals Private Limited				
At the beginning of the year	80,000	1.07%	80,000	1.07%



Name of the Shareholders	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
Additions during the year	--	--	2,000	0.02%
At the End of the year	80,000	1.07%	82,000	1.09%
Mr. Riaz Ahmed Khatri				
At the beginning of the year	72,000	0.96%	72,000	0.96%
Changes during the year	--	--	--	--
At the End of the year	72,000	0.96%	72,000	0.96%
Mr. Rajgopal Sattaluri				
At the beginning of the year	42,500	0.57%	42,500	0.57%
Changes during the year	--	--	--	--
At the End of the year	42,500	0.57%	42,500	0.57%
LTS Investment Fund Limited				
At the beginning of the year	--	--	--	--
Additions during the year	--	--	32,000	0.43%
At the End of the year	--	--	32,000	0.43%
Pratik Abhaykumar Bora HUF				
At the beginning of the year	32,000	0.43%	32,000	0.43%
Changes during the year	--	--	--	--
At the End of the year	32,000	0.43%	32,000	0.43%

v. Shareholding of Directors and Key Managerial Personnel:

Name of the Directors and KMP	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
Mr. N.C.V. Rangacharya				
At the beginning of the year	18,90,875	25.20%	18,90,875	25.20%
Changes during the year	--	--	--	--
At the End of the year	18,90,875	25.20%	18,90,875	25.20%
Mrs. N.C. Padmaja				
At the beginning of the year	12,96,600	17.28%	12,96,600	17.28%
Additions during the year	--	--	20,000	0.27%
At the End of the year	13,16,600	17.55%	13,16,600	17.55%



Name of the Directors and KMP	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
Mrs. N.C. Madhavi				
At the beginning of the year	46,000	0.61%	46,000	0.61%
Changes during the year	--	--	--	--
At the End of the year	46,000	0.61%	46,000	0.61%
Mrs. Shailaja Babladi				
At the beginning of the year	15,02,400	20.03%	15,02,400	20.03%
Changes during the year	--	--	--	--
At the End of the year	15,02,400	20.03%	15,02,400	20.03%

V. INDEBTNESS:

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

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness ₹
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,11,08,379	71,933	--	1,11,80,312
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not	--	--	--	--
Total (i+ii+iii)	1,11,08,379	71,933	--	1,11,80,312
Change in Indebtedness during the financial year				
- Addition	--	--	--	--
- Reduction	(13,14,303)	(71,933)	--	(13,86,236)
Net Change	(13,14,303)	(71,933)	--	(13,86,236)
Indebtedness at the end of the financial year				
i) Principal Amount	97,94,076	--	--	97,94,076
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	97,94,076	--	--	97,94,076

VI. REMUNERATION OF DIRECTORS AND KEY-MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount in ₹
		N.C.V. Rangacharya (Managing Director)	N.C. Padmaja (Whole Time Director)	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income -Tax Act, 1961	96,00,000	60,00,000	36,00,000
	(b) Value of perquisites u/s17(2) Income -Tax Act, 1961	--	--	--
	(c) Profits in lieu of salary u/s17(3) Income -Tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission	--	--	--
	- as% of profit	--	--	--
	- others, specify.	--	--	--
5.	Others, please specify	--	--	--
6.	Total (A)	60,00,000	36,00,000	96,00,000
	Ceiling as per the Act	In Compliance with Companies Act, 2013 & Rules made thereunder		

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount in ₹
	Independent Directors					
•	Fee for attending board committee meetings					
•	Commission					
•	Others, please specify	--	--	--	--	--
	Total (1)	--	--	--	--	--
	Other Non-Executive Directors					
•	Fee for attending board committee meetings					
•	Commission					
•	Others, please specify	--	--	--	--	--



Sr. No.	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount in ₹
	Total (2)	--	--	--	--	--
	Total (B) = (1+2)	--	--	--	--	--
	Total Managerial Remuneration	--	--	--	--	--
	Overall Ceiling as per the Act	--	--	--	--	--

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WT/

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount in ₹
		CEO	B. Shailaja Company Secretary & Compliance Officer	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17 (1) of the Income -Tax Act, 1961	--	9,60,000/-	--	9,60,000/-
	(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	--	--	--	--
6.	Total	--	9,60,000/-	--	9,60,000/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD / NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	NA	--	--	--	--
Punishment	NA	--	--	--	--
Compounding	NA	--	--	--	--



Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD / NCLT/Court]	Appeal made. If any(give details)
B. Directors					
Penalty	NA	--	--	--	--
Punishment	NA	--	--	--	--
Compounding	NA	--	--	--	--
C. Other Officers In Default					
Penalty	NA	--	--	--	--
Punishment	NA	--	--	--	--
Compounding	NA	--	--	--	--

By order of the Board of Directors
Cadsys (India) Limited

sd/-

sd/-

Date: 28th May, 2019
Place: Hyderabad

N.C.V. Rangacharya
Managing Director
DIN: 01067596

N.C Padmaja
Whole Time Director
DIN: 01173673

Annexure - II

Form No. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

1. Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A - Subsidiaries (Information in respect of each subsidiary to be presented with amounts in ₹)

Sr. No.	Particulars	I	II	III
1.	Name of the subsidiary	Apex Engineers (India) Pvt. Ltd.	Cadsys Technologies LLC USA	Apex Advanced Technology LLC, USA
2.	The date since when subsidiary was acquired	09/11/2016	28/05/2009	13/04/2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019	01/04/2018 to 31/03/2019
4.	Reporting currency and Exchange rates on the last date of the relevant Financial year in the case of foreign Subsidiaries	₹	₹	₹
5.	Share Capital	1,00,000	44,34,100	22,93,44,162
6.	Reserves and Surplus	(73,88,630)	(88,16,657)	21,93,42,233
7.	Total Assets	55,58,360	29,89,587	52,07,87,480
8.	Total Liabilities	55,58,360	29,89,587	52,07,87,480
9.	Investments	NIL	NIL	NIL
10.	Turnover	12,07,836	52,49,010	47,84,36,924
11.	Profit/loss before taxation	(14,95,462)	(14,75,778)	10,53,04,455
12.	Provision for taxation	NIL	NIL	NIL
13.	Profit/loss after taxation	(16,23,826)	(14,96,168)	9,06,71,058
14.	Proposed Dividend	NIL	NIL	NIL
15.	Extent of shareholding (in percentage)	80.00%	97.56%	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - Nil
- Names of subsidiaries which have been liquidated or sold during the year - Nil

2. Part B Associates and Joint Ventures - NA

By order of the Board of Directors
Cadsys (India) Limited

sd/-

sd/-

Date: 28th May, 2019
Place: Hyderabad

N.C.V. Rangacharya
Managing Director
DIN: 01067596

N.C Padmaja
Whole Time Director
DIN: 01173673

Annexure - III

Form No. AOC-2



Particulars of contracts/arrangements entered with Related Parties

(Pursuant to section 134(3)(h) of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 – in Form AOC-2)

Particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

During the year ended on 31st March, 2019, no contracts or arrangements or transaction were entered with Related Parties, which are not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name of the Related Party	Nature of relationship	Nature of contracts	Duration of contract	Terms of the contract	Amount (₹ in Lakhs)
1.	CS Shailaja Babladi	KMP	Receiving of Professional Services	--	--	9.60
2.	Apex Advanced Technology LLC USA	Wholly owned Subsidiary	Provision of Services	--	--	1,553.62

By order of the Board of Directors
Cadsys (India) Limited

sd/-

sd/-

Date: 28th May, 2019
Place: Hyderabad

N.C.V. Rangacharya
Managing Director
DIN: 01067596

N.C Padmaja
Whole Time Director
DIN: 01173673

Annexure - IV

Information required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Sr. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	N.C.V Rangacharya, Managing Director	10:1
2.	N.C. Padmaja, Whole-Time Director	6:1

Sripadarajan Nagarajan (Non-Executive Director), N.C. Madhavi (Non-Executive Director), Appalacharyulu Chilakanarri and Sai Sridhar Sangineni (Independent Directors) do not draw any remuneration from the Company.

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

During the financial year under review, there has been no change in the percentage increase in the remuneration paid to the CFO or directors, except for Company Secretary of the Company.

3. The percentage increase in the median remuneration of employees in the financial year: 10%
4. The number of permanent employees on the rolls of Company: 239 (Two Hundred & Thirty Nine).
5. 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:

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 10%. Whereas there was no change in the remuneration of managerial personnel during the same financial year under review.

6. Affirmation that the remuneration is as per the remuneration policy of the company: Yes

By order of the Board of Directors
Cadsys (India) Limited

sd/-

sd/-

Date: 28th May, 2019
Place: Hyderabad

N.C.V. Rangacharya
Managing Director
DIN: 01067596

N.C Padmaja
Whole Time Director
DIN: 01173673

Annexure - VI

FORM NO. MR-3 Secretarial Audit Report For The Financial Year Ended 31st March, 2019

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

**To,
The Members,
Cadsys (India) Limited
Hyderabad, Telangana,
India.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cadsys (India) Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the 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 31st March, 2019 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 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the Audit Period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period)

We have also examined compliance with the other applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with The National Stock Exchange, (NSE EMERGE);

The Company is engaged in the business of IT & ITES (IT Enabled Services). Accordingly, some of the applicable Industry specific Acts are covered under the purview of



our audit, in consultation with the Management and on the basis of the Guidance Note issued by the ICSI. Based on our verification and having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company:

- (i) The Information Technology Act, 2000 & Rules made thereunder;
- (ii) Software Technology Parks of India rules and regulations, 2004.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. *"Further, the Company had voluntarily created provision in the financial statements for the FY 2018-19 in respect of contribution towards Corporate Social Responsibility (CSR) activities carried out through its Mashtishk Support Group, Company's Registered Trust."*

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 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board and the Committee were unanimous and no dissenting views have been recorded.

We further report that, based on the information provided and the representation made by the Company, in our opinion 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:

- (i) Pursuant to the provisions of Section 110 of Companies Act, 2013 and rules made thereunder, the Company has conducted a Postal Ballot for seeking approval from members of the Company for Appointment of Mr. Appalacharyulu Chilakamarri (DIN No. 01601712) as an Independent Director of the Company to fill the casual vacancy caused due to the demise of Mr. Nandachary Mudumbi and Increasing the limits of Loans, Investments and Guarantee upto an amount of ₹ 15,00,00,000/- (Rupees Fifteen Crores only) over and above of the limits prescribed under the provisions of section 186 of Companies Act, 2013.

And there were no other specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, regulations, guidelines, standards, etc. referred to above.

**For RANJ & Associates
Company secretaries**

sd/-

**CS Nitesh Kumar Agarwal
Partner
M.No.26668: CP No. 9727**

**Date: 28th May, 2019
Place: Hyderabad**

Note: This letter is to be read with our letter of even date, which is annexed, and form an integral part of this report.
Annexure to Secretarial Audit Report.

Annexure to Secretarial Audit Report

To,
The Members of
Cadsys (India) Limited,
Hyderabad, Telangana,
India.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and methods as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that the facts reflected in secretarial records are correct. 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. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on random test basis.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
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 RANJ & Associates
Company secretaries

sd/-

Date: 28th May, 2019
Place: Hyderabad

CS Nitesh Kumar Agarwal
Partner
M.No.26668: CP No. 9727

Certificate from Chief Finance Officer



I, **Nallani Chakravarthi Padmaja**, Chief Finance Officer of Cadsys (India) Limited certify:

- a) That, I have reviewed the Audited Standalone & Consolidated Financial Results for the half year and full year ended on 31st March, 2019 and that to the best of my knowledge and belief:
 - i. These financials results do not contain any material untrue statement or omit any material fact now contain statements that might be misleading and;
 - ii. These financial results present a true and fair view of the Company's affairs and are in compliance with the applicable laws and regulations.
- b) That there are to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) That I accept the responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the audit committee, deficiencies in design and operations of the internal controls, if any, of which I am aware and the steps that I have been taken or propose to take to rectify the identified deficiencies.

sd/-

Date: 28th May, 2019
Place: Hyderabad

Nallani Chakravarthi Padmaja
Whole-Time Director cum Chief Finance Officer

Independent Auditors' Report

To,
The Members Of **Cadsys (India) Limited**

Report on the audit of the financial statements

Opinion

We have audited the accompanying standalone financial statements of **M/s CADSYS (INDIA) LIMITED** ("the Company"), which comprise the balance sheet as at 31st March, 2019, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These

matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters.

There is no Key Audit Matter Reportable as per SA 701 issued by ICAI for the year under audit.

Information other than the financial statements and Auditors' Report thereon:

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Other information is expected to be made available to us after the date of this auditors' report.

Management's responsibility for the standalone financial statements

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone 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.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's



ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates

and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 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, and the cash flow statement dealt with by this report are in agreement with the relevant books of account;
 - (d) In our opinion, the aforesaid standalone 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 March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - a. The Company does not have any pending litigations which would impact its financial position;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For NARVEN ASSOCIATES
Chartered Accountants
Firm Regn. No: 005905s

sd/-

G.V.RAMANA
Partner
Membership No.:025995

Date: 28th May, 2019
Place: Hyderabad

Annexure – “A”

To the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of Cadsys (India) Limited of even date)

1. In respect of the Company's fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, no physical verification has been carried on by the management during the year.

Accordingly, we were unable to comment on whether any material discrepancies were noticed on such verification and whether they are properly dealt with in the standalone financial statements.

- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

2. 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, paragraph 3 (ii) of the order is not applicable.

3. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.

4. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.

5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.

6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.

7. (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 generally 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, GST and any other material statutory dues as applicable to it. According to information and explanation given to us, no undisputed amounts as at 31st March, 2019 were outstanding for a period more than six months from the date on when they became payable.

(b) According to the information and explanations given to us, no 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.

8. In our opinion and according to the information and explanations given to us, the company has not defaulted on account of dues of any financial institutions or banks or any government. The company has not issued any debentures.

9. The term loans taken during the year have been applied for the purposes for which those are raised.



The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13. 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 section 177 and 188 of the Act. Where

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

14. 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. Accordingly, paragraph 3(xiv) of the order is not applicable.
15. 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 them. Accordingly, paragraph 3(xv) of the order is not applicable.
16. According to the information and explanations given to us and based on our examination of the records of the company, 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
Firm Regn. No: 005905s

sd/-

G.V.RAMANA
Partner
Membership No.:025995

Date: 28th May, 2019
Place: Hyderabad

Annexure - “B”

To the Independent Auditor’s Report



To,
The Auditors’ Report Of **Cadsys (India) Limited**

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 M/S CADSYS (INDIA) LIMITED (“the Company”) as of 31st March, 2019, in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

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

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 in the standalone 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 control 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

- (i) pertain to the maintenance of records that, in reasonable detail; accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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
- (iii) 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 standalone 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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NARVEN ASSOCIATES
Chartered Accountants
Firm Regn. No: 005905s

sd/-

Date: 28th May, 2019
Place: Hyderabad

G.V.RAMANA
Partner
Membership No.:025995

Standalone Balance Sheet

as at 31st March, 2019



Particulars	Note No.	As at 31 st March, 2019 (Audited) ₹	As at 31 st March, 2018 (Audited) ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	7,50,25,000	7,50,25,000
(b) Reserves and surplus	3	32,15,82,114	30,28,42,716
2 Non-current liabilities			
(a) Long-term Borrowings	4	19,59,332	21,68,685
(b) Other Long-term Liabilities	5	-	-
(c) Long-term provisions	6	74,56,659	52,32,469
3 Current liabilities			
(a) Short-term Borrowings	7	78,34,744	90,11,627
(b) Trade payables			
i) Total outstanding dues to micro enterprises and small enterprises	8	2,54,119	-
ii) Total outstanding dues to creditors other than micro enterprises and small enterprises	8	7,10,708	21,33,067
(c) Other current liabilities	9	2,33,43,107	2,09,84,743
(d) Short-term provisions	10	11,58,163	6,96,008
TOTAL		43,93,23,946	41,80,94,315
B ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	11	5,70,96,313	6,46,05,016
(b) Non Current Investments	12	23,50,10,178	20,22,59,086
(c) Deferred Tax Assets (Net)	13	72,42,153	41,14,647
(d) Long-term loans and advances	14	53,90,222	1,13,11,840
2 Current assets			
(a) Trade receivables	15	86,97,227	4,49,46,270
(b) Cash and cash equivalents	16	9,34,68,086	7,07,81,839
(c) Short-term loans and advances	17	1,34,70,296	1,03,46,157
(d) Other current assets	18	1,89,49,471	97,29,459
TOTAL		43,93,23,946	41,80,94,315

Significant Accounting policies
Notes on Financial Statements

1
2 to 34

As per our report of even date
For NARVEN ASSOCIATES
Chartered Accountants
Firm Registration Number: 005905S
sd/-
G.V. RAMANA
Partner
Membership No. 025995

For and on behalf of the Board of Directors

sd/-
N.C.V. RANGACHARYA
Managing Director

sd/-
S. NAGARAJAN
Director

Place: Hyderabad
Date: 28th May, 2019

sd/-
B. SHAILAJA
Company Secretary & Compliance Officer

sd/-
N.C. PADMAJA
Chief Financial Officer

Standalone Statement of Profit & Loss

for the year ended 31st March, 2019



Particulars	Note No.	As at 31 st March, 2019 (Audited) ₹	As at 31 st March, 2018 (Audited) ₹
Revenue from operations	19	20,62,26,003	32,01,86,905
Other income	20	89,81,662	78,95,933
Total Revenue		21,52,07,665	32,80,82,838
Expenses			
Employee Benefit Expense	21	11,68,64,496	10,36,10,621
Other Operating Expenses	22	3,91,26,021	14,55,46,140
General Expenses	23	22,79,831	37,14,995
Financial costs	24	24,59,440	1,61,16,039
Depreciation and amortisation expense	11	1,40,87,622	1,15,32,968
Total Expenses		17,48,17,410	28,05,20,763
Profit / (Loss) before tax		4,03,90,255	4,75,62,075
Tax expense:			
(a) Current tax Expense		1,42,90,619	1,51,47,695
(b) Deferred tax Expense / (Income)		(31,27,507)	(18,91,200)
(c) Earlier Year Taxes written back		14,57,735	(10,09,526)
Profit / (Loss) for the Period		2,77,69,408	3,53,15,106
Earning Per Share			
(i) Basic & Diluted EPS		3.70	5.47
(ii) Adjusted Basic EPS		-	-

Significant Accounting policies
Notes on Financial Statements

1
2 to 34

As per our report of even date
For NARVEN ASSOCIATES
Chartered Accountants
Firm Registration Number: 005905S
sd/-
G.V. RAMANA
Partner
Membership No. 025995

Place: Hyderabad
Date: 28th May, 2019

For and on behalf of the Board of Directors

sd/-
N.C.V. RANGACHARYA
Managing Director

sd/-
S. NAGARAJAN
Director

sd/-
B. SHAILAJA
Company Secretary & Compliance Officer

sd/-
N.C. PADMAJA
Chief Financial Officer

Standalone Cash Flow Statement

for the year ended 31st March, 2019



Particulars		As at 31 st March, 2019 ₹		As at 31 st March, 2018 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax as per Statement of Profit and Loss		4,03,90,255		4,75,62,075
<i>Adjustments For :</i>				
Depreciation and Amortisation Expense	1,40,87,622	-	1,15,32,968	-
Finance Costs	24,59,440	-	1,61,16,039	-
Interest Income	(46,17,586)	-	(65,35,430)	-
Dividend Income	(7,56,356)	1,11,73,120	(453,409)	2,06,60,168
Operating Profit before Working Capital Changes		5,15,63,375		6,82,22,243
Adjustments for Changes in Working Capital :				
Adjustments for (Increase) / Decrease in operating assets				
Long-term loans and advances	59,21,618	-	76,10,692	-
Trade Receivables	36,249,044	-	2,36,95,425	-
Short Term Loans & Advances	(3,124,139)	-	(67,51,516)	-
Other Current Assets	(9,220,014)	2,98,26,509	1,64,45,957	4,10,00,558
Adjustments for Increase / (Decrease) in operating liabilities				
Other Long Term Liabilities	-	-	(1,31,90,959)	-
Long Term Provisions	22,24,190	-	16,09,358	-
Short Term Provisions	4,62,155	-	-	-
Trade Payables	(11,68,240)	-	(3,17,82,001)	-
Other Current Liabilities	23,58,365	38,76,470	(1,57,25,328)	5,90,88,930
Cash from Operations		8,52,66,354		5,01,33,871
Income Tax Paid		(1,57,48,353)		(1,34,34,703)
Net Cash Generated from Operating Activities (A)		6,95,18,001		3,66,99,168
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payments for Purchase of Fixed Assets		(65,78,920)		(5,19,30,191)
Payments for Purchase of Mutual Funds		25,56,356		(22,53,409)
Payments for Non Current Investments		(3,53,07,448)		(6,27,38,687)

Standalone Cash Flow Statement

for the year ended 31st March, 2019



Particulars	As at 31 st March, 2019 ₹	As at 31 st March, 2018 ₹
Interest Income	46,17,586	65,35,430
Sale of Assets	-	-
Net Cash Used in Investing Activities (B)	(3,47,12,426)	(11,03,86,857)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Short Term Borrowings	(11,76,883)	27,74,758
Repayment of Long Term Borrowings	(2,09,353)	(11,45,05,486)
Issue of shares	-	2,10,00,000
Share Premium generated during the year	-	11,65,52,578
Dividend income	7,56,356	4,53,409
Finance Costs Paid	(24,59,440)	(1,61,16,039)
Dividend and Dividend Distribution Tax Paid	(90,30,009)	(65,46,315)
Net Cash Generated from Financing Activities (C)	(1,21,19,329)	36,12,905
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	2,26,86,246	(7,00,74,784)
Add: Cash & Cash Equivalents As at 31st March, 2018 and As at 31st March, 2017	7,07,81,839	1,40,856,623
Cash & Cash Equivalents As at 31st March, 2019	9,34,68,086	7,07,81,839

As per our report of even date

For NARVEN ASSOCIATES

Chartered Accountants

Firm Registration Number: 005905S

sd/-

G.V. RAMANA

Partner

Membership No. 025995

Place: Hyderabad

Date: 28th May, 2019

For and on behalf of the Board of Directors

sd/-

N.C.V. RANGACHARYA

Managing Director

sd/-

S. NAGARAJAN

Director

sd/-

B. SHAILAJA

Company Secretary & Compliance Officer

sd/-

N.C. PADMAJA

Chief Financial Officer

Significant Accounting Polices

Note 1:

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:

- 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.
- 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. The Range of Estimated useful lives of items of Fixed assets are as follows

Asset	Useful Life
Office Equipment	5
Software	01-03

- Depreciation on additions during the year is being provided for on a pro rata basis.

C. Revenue Recognition:

- 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.
- Interest Income on deposits is recognized using the time-proportion method, based on interest rates implicit in the transaction.
- Income from investment in mutual funds is recognised on the basis of the NAV declared by the mutual fund at the end of the year.
- Sub-lease rental income on immovable properties is recognized on accrual basis as per the respective agreements with the parties.
- 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.

E. Retirement Benefits to Employees:

- 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.
- 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.

-
- c. Leave Encashment: The Company is providing leave salary to the employees on unexpired leaves balances as on the 31st March 2019.

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 On Standalone Financial Statements

for the year ended 31st March, 2019



Note 2 Share capital

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	Number of shares	₹	Number of shares	₹
(a) Authorised Capital				
85,00,000 Number of Equity shares of ₹ 10 each	85,00,000	8,50,00,000	85,00,000	8,50,00,000
(b) Issued ,Subscribed and Fully paid up:				
Equity shares of ₹ 10 each with voting rights	75,02,500	7,50,25,000	75,02,500	7,50,25,000
Out of these 43,22,000 bonus shares were issued on 2 nd January 2017				
Total	75,02,500	7,50,25,000	75,02,500	7,50,25,000

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

Name Of the Share Holder	As at 31 st March, 2019		As at 31 st March, 2018	
	Number of shares	% Held	Number of shares	% Held
Rangacharya N.C.V.	18,90,875	25.20	18,90,875	25.20
Shailaja. B	15,02,400	20.03	15,02,400	20.03
Padmaja N.C	13,16,600	17.55	12,96,600	17.28
Total	47,09,875	62.78	46,89,875	62.51

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

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Equity Shares at the beginning of the year	75,02,500	7,50,25,000	75,02,500	7,50,25,000
Add: Bonus Shares issued during the year	-	-	-	-
Less: Shares Bought back during the year	-	-	-	-
Equity Shares at the end of the year	75,02,500	7,50,25,000	75,02,500	7,50,25,000

Notes On Standalone Financial Statements

for the year ended 31st March, 2019

Note 3 Reserves and surplus

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
(a) Security Premium Account		
Opening balance	11,73,52,577	8,00,000
Add: Additions during the year	-	12,60,00,000
Less: Shares Issue Expenses		(94,47,422)
Closing balance (A)	11,73,52,577	11,73,52,578
(b) General reserve		
Opening balance	1,77,80,000	1,77,80,000
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year	-	-
Closing balance (B)	1,77,80,000	1,77,80,000
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	16,77,10,138	13,86,83,427
Add: Profit / (Loss) for the year	2,77,69,408	3,53,15,106
Add: Adjustment of Electrical Equipment as per F A Statement	-	2,57,920
Less: Dividend Paid	(75,02,500)	(54,02,500)
Less: Dividend Distribution Tax	(15,27,509)	(11,43,815)
Less: Transfer to General Reserve	-	-
Closing balance (C)	18,64,49,537	16,77,10,138
Total (A+B+C)	32,15,82,114	30,28,42,716

Note 4 Long-Term Borrowings

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Term Loans		
Secured		
From Banks	-	-
Vehicle Loan -Daimler Financial Services India Ltd	19,59,332	20,96,752
Unsecured		
From Banks		
Standard Chartered Bank	-	48,930
Unsecured		
N.C.V Rangacharya	-	23,003
N.C. Padmaja	-	-
Total	19,59,332	21,68,685

Notes On Standalone Financial Statements

for the year ended 31st March, 2019



In respect of Fixed Assets acquired on finance lease. The minimum lease rentals outstanding as on 31st March, 2019 is as follows:

Particulars	Principle outstanding as on 2018-19	Interest outstanding as on 2018-19	Principle outstanding 2017-18	Interest outstanding 2017-18
Below 1 year	4,00,421	2,39,227	19,22,997	2,81,428
Above 1 year but less than 3 years	19,59,332	69,717	20,96,752	3,08,944
Total	23,59,753	3,08,944	40,19,749	5,90,372

Note 5 Other Long -Term Liabilities

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Total	-	-

Note 6 Long -Term Provisions

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Provision for Employee retirement benefits		
Provision for Gratuity	74,56,659	52,32,469
Total	74,56,659	52,32,469

Note 7 Short-Term Borrowings

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Loans Repayable on Demand		
From Banks		
Secured		
Over Draft from Canara Bank*	78,34,744	90,11,627
Total	78,34,744	90,11,627

* Over Draft limit of ₹ 700 Lakhs Secured by way of Hypothecation of Equipment and floating charge on movable assets 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 5,230 Sq.Yds situated at Ghanpur Village, Toopran Mandal, Medak District and open plot No.11 admeasuring 773 Sq Yds and Open Plots admeasuring 7,465 Sq Yds at Ghanpur Village, Toopran Mandal, Medak Dist. and open Plots admeasuring 2,311 Sq Yds situated at Yawapoor Village, Toopran Mandal, Medak District.

Note 8 Trade payables

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Dues to Micro, Small and Medium Micro Enterprises	-	-
Trade Payables	-	-
i) Total outstanding dues to micro enterprises and small enterprises	2,54,119	-

Notes On Standalone Financial Statements

for the year ended 31st March, 2019



Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
ii) Total outstanding dues to creditors other than micro enterprises and small enterprises	7,10,708	21,33,067
Total	9,64,827	21,33,067

Note 9 Other current liabilities

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Current Maturities of Long Term Debt	4,00,421	13,01,015
Current Maturities of Finance Lease Obligations	4,51,593	6,21,982
Employee Benefits Payable		
Salaries Payable	81,14,196	67,57,249
Director Remuneration Payable	6,11,655	3,12,558
Bonus Payable	29,87,427	31,03,200
Earned Leaves Payable	24,28,278	-
Other Payables	14,96,519	-
Provident Fund Payable	6,09,053	5,19,531
Employee Recreation Fund	3,58,002	3,93,002
ESI Payable	1,38,097	1,44,547
CSR Payable - FY-2017-18	12,76,352	12,76,352
CSR Payable - FY-2018-19	11,17,584	-
Statutory Liabilities Payable		
TDS Payable	5,38,453	49,11,298
Professional Tax Payable	60,200	49,000
Other Payables		
Dividend and DDT Payable	-	-
Electricity Charges Payable	4,03,569	5,24,786
Rent Payable	4,46,084	6,44,412
Audit Fee Payable	3,60,000	3,60,000
Expenses Payable	13,067	18,847
Telephone Charges Payable	12,557	9,864
Maintenance Charges Payable	-	-
Other liabilities	15,20,000	37,100
Total	2,33,43,107	2,09,84,743

Note 10 Short-Term provisions

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Provision for Income Tax (Net of TDS & Advance tax)	11,58,163	6,96,008
Total	11,58,163	6,96,008

Notes On Standalone Financial Statements

for the year ended 31st March, 2019



Schedule 11 Property, Plant and Equipment :

Sr. No	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK			Useful Life in Yrs
		As at 01-04-2018	Additions during the year	Deletions during the year	As on 31-03-19	Up to 01-04-2018	Deletions during the year	1st Half Year (As on 30-09-2018)	2nd Half Year (As on 31-03-2019)	As on 31-03-2019	As on 31-03-2019	As on 31-03-2018	
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
	Tangible Fixed Assets												
1	Furniture & Fittings	1,71,84,786	-	8,98,024	1,62,86,762	1,44,42,450	7,37,351	3,46,004	2,56,638	1,43,07,741	19,79,021	27,42,336	10
2	Computer	7,64,13,592	-	-	7,64,13,592	7,55,02,400	-	7,21,689	80,592	7,63,04,681	1,08,911	9,11,192	3
3	Servers	40,83,654	-	-	40,83,654	31,44,810	-	3,04,979	2,46,211	36,95,999	3,87,655	9,38,844	6
4	Electrical Equipments	50,29,488	-	-	50,29,488	48,28,337	-	20,155	17,510	48,66,002	1,63,486	2,01,151	10
5	Office Equipment	62,76,555	80,636	-	63,57,191	52,91,235	-	2,33,646	1,77,034	57,01,915	6,55,276	9,85,320	5
6	Vehicle	62,96,477	-	-	62,96,477	25,29,367	-	3,93,530	3,93,530	33,16,426	29,80,051	37,67,110	8
7	Air conditioner	24,99,073	39,595	-	25,38,668	20,55,761	-	39,290	39,637	21,34,688	4,03,980	4,43,312	10
8	Generator	33,94,362	-	-	33,94,362	24,87,141	-	84,315	84,315	26,55,771	7,38,591	9,07,221	10
9	U.P.S	39,43,590	-	-	39,43,590	30,91,822	-	3,40,685	1,35,677	35,68,184	3,75,406	8,51,768	5
10	Communication Equipment	48,98,085	-	-	48,98,085	44,30,549	-	2,02,891	64,673	46,98,114	1,99,971	4,67,536	5
11	Land	3,65,63,113	34,63,938	-	4,00,27,051	-	-	-	-	-	4,00,27,051	3,65,63,113	-
	Total	16,65,82,775	35,84,169	8,98,024	16,92,68,920	11,78,03,871	7,37,351	26,87,184	14,95,817	12,12,49,521	4,80,19,399	4,87,78,904	
	Intangible Property, Plant and Equipment												
12	Capital Work in progress	1,58,00,000	-	(1,58,00,000)	-	-	-	-	-	-	-	1,58,00,000	
13	Software	2,00,35,509	1,89,55,423	-	3,89,90,932	2,00,09,397	-	16,06,787	82,97,834	2,99,14,018	90,76,914	26,112	1 & 3
	Total	2,00,35,509	1,89,55,423	-	3,89,90,932	2,00,09,397	-	16,06,787	82,97,834	2,99,14,018	90,76,914	1,58,26,112	
	Grand Total	18,66,18,284	2,25,39,592	-	20,82,59,852	13,78,13,268	-	42,93,971	97,93,651	15,11,63,539	5,70,96,313	6,46,05,016	

Notes On Standalone Financial Statements

for the year ended 31st March, 2019

Note 12 Non Current Investments

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
1. Investment in Equity Instruments (At Cost)		
Subsidiary Companies (Unquoted)		
a) Investment in LLC		
Cadsys Technologies LLC USA	33,61,259	33,61,259
b) Investment In Shares-Apex Engineers (India) Pvt Ltd	80,000	80,000
c) Apex Advanced Technology LLC, USA	21,92,83,296	18,90,88,560
d) Investment in Cadsys Technologies LLP	88,200	88,200
2. Investment in Mutual Funds		
Canara Bank Robeco Mutual Fund (SIP)	1,21,97,423	96,41,067
(Current Year - No of Units - 696669.1470 NAV per Unit - ₹ 17.5082/-)		
(Previous Year - No of Units - 497323.675* NAV per Unit- ₹ 19.3859/-)		
Total	23,50,10,178	20,22,59,086

Note 13 Deferred Tax Liability

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Deferred tax assets		
Related to fixed assets	(36,61,061)	(18,17,961)
Disallowances under the Income Tax Act' 1961	(35,81,092)	(22,96,685)
Deferred tax assets (Net)	-72,42,153	-41,14,646

Note 14 Long-term loans and advances

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
(a) Capital advances		
Unsecured, considered good	-	
(b) Security deposits		
Rent Deposits	33,47,992	38,47,992
Electricity Deposits	12,59,021	12,59,021
Other Deposits	7,44,524	61,38,901
(c) Balances with government authorities		
Unsecured, considered good	-	-
(d) Other loans and advances		
Unsecured Considered Good		

Notes On Standalone Financial Statements

for the year ended 31st March, 2019



Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
APIIC Limited	38,685	38,685
Apex Engineers (India) Pvt. Ltd	-	27,241
Total	53,90,222	1,13,11,840

Note 15 Trade receivables

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Trade receivables		
Unsecured, considered good		
More than six months	23,55,870	44,83,319
Others	63,41,357	4,04,62,951
Total	86,97,227	4,49,46,270

Note 16 Cash and cash equivalents

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
(a) Cash on hand	1,01,511	20,323
(b) Balances with banks		
(i) In current accounts	10,93,933	16,23,882
(ii) In EEFC accounts	1,32,09,213	-
(iii) In Fixed deposit accounts (period of maturity within one year)	7,90,63,429	6,91,37,634
Total	9,34,68,086	7,07,81,839

Note 17 Short-term loans and advances

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
(a) Loans and advances to employees	1,89,931	3,40,054
(b) Others		
Other Advances	-	3,35,886
Input GST	1,14,85,649	76,51,461
TDS & Refund receivables	17,94,716	20,18,756
Total	1,34,70,296	1,03,46,157

Notes On Standalone Financial Statements

for the year ended 31st March, 2019

Note 18 Other current assets

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Unbilled Receivables		-
Work In Progress	49,49,232	-
Interest Accrued On Fixed Deposits	24,76,228	23,90,530
Interest Receivable From APSEB on ACD	-	33,864
Prepaid Expenses	72,95,842	66,99,337
Other Receivables	42,28,171	6,05,728
Total	1,89,49,473	97,29,459

Note 19. Revenue from Operations

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Revenue from operations		
Domestic Revenue	28,50,098	10,68,85,085
Export Income	20,33,75,905	21,33,01,820
Total	20,62,26,003	32,01,86,905

Note 20. Other income

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Interest Income	46,17,586	65,35,430
Dividend from Mutual Funds	7,56,356	4,53,409
Miscellaneous income	5,72,510	9,07,094
Prior Period Income	11,21,833	-
Gain on Foreign Exchange Fluctuation	19,13,377	-
Total	89,81,662	78,95,933

Note 21. Employee Benefit Expense

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Salaries and wages, Bonus etc	9,70,79,943	8,47,19,117
Remuneration to Directors	96,00,000	96,00,000
Contributions to provident and other funds	55,33,574	57,37,814
Staff welfare expenses	12,30,601	11,12,266
Gratuity	34,20,378	24,41,424
Total	11,68,64,496	10,36,10,621

Notes On Standalone Financial Statements

for the year ended 31st March, 2019



Note 22. Other Operating Expenses

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
CSR Expenses	11,17,584	22,76,352
Travelling and Conveyance	6,02,553	12,60,311
Internet Charges	19,01,963	16,50,983
Job work charges	4,54,000	8,50,04,000
Prior Period Expenses	63,193	-
Bad debts written off	5,02,850	3,22,977
Directors Sitting Fee	80,000	-
Rates & Taxes	5,47,094	7,37,454
Rent	65,48,013	78,14,242
Bank charges	3,15,280	1,74,097
Professional & Consultancy Charges	72,58,964	2,54,09,435
Postage & Courier Charges	28,934	28,903
Electricity Charges	46,19,188	60,43,163
Loss on Foreign Exchange Fluctuation	-	13,46,930
Insurance	56,37,746	54,95,786
Printing & Stationery	98,541	2,44,219
Payments to Auditor as :		
(a) Statutory Audit Fee	2,50,000	2,50,000
(b) Tax Audit Fee	1,50,000	1,50,000
Repairs & Maintance - Others	12,07,834	12,18,329
Security Charges	7,76,500	7,40,000
Subscription & Other Charges	9,66,570	12,26,090
STPI Charges	2,25,000	2,58,750
Telephone Charges	1,38,876	2,01,864
Interest On TDS	-	2,31,338
Interest On service tax and GST	-	4,62,800
PF & Service Tax Arrears	-	10,62,686
Penalties & Interest paid on statutory payments	8,00,595	1,96,312
Advertisement and Business Promotion	-	79,200
Computer Hire Charges	-	3,12,703
Computer Consumables	10,29,732	3,03,970
Foreign Travel Expenses		
Travel expenses-Directors	2,24,094	3,53,562

Notes On Standalone Financial Statements

for the year ended 31st March, 2019



Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Travel expenses-Employees	35,80,917	6,89,685
Total	3,91,26,021	14,55,46,141

Note 23. General Expenses

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Books & Periodicals	13,504	10,145
Domain Charges	1,45,139	95,613
Donations	65,212	60,000
Office Expenses	5,33,956	9,53,642
Office Maintenance	14,60,740	25,95,596
Advertisement Expenses	61,280	-
Total	22,79,831	37,14,996

Note 24. Financial costs

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Interest expense on:		
- Interest on Finance Lease Loans	760	2,82,743
- Interest On Term Loan / Working Capital	18,59,351	26,52,051
- Interest on Bill discounting	41,393	-
- Interest on Unsecured Loans	-	5,64,697
- Interest on Vehicle Loan	2,80,667	3,18,472
- Interest on Loan-Against F.D's	2,77,269	1,22,98,076
Total	24,59,440	1,61,16,039

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

a. Estimated amount of unexecuted capital contracts:

Sr. No	Particulars	2018-19 ₹	2017-18 ₹
1	Unexecuted Capital Contracts	NIL	1,67,00,050

b. Contingent liabilities:

(Amt in Rs)

Sr. No	Particulars	2018-19 ₹	2017-18 ₹
1	Outstanding Corporate Guarantees	2,13,141	2,13,141

Notes On Standalone Financial Statements

for the year ended 31st March, 2019



26. Adjusted Earnings per share:

Particulars	Current Year	Previous Year
	₹	₹
Net Profit for the Year	2,77,69,408	3,53,15,106
Amount Available for Equity Share holders	2,77,69,408	3,53,15,106
Weighted Average no. of Equity shares	75,02,500	64,52,500
Adjusted and Basic Earnings per Equity Share	3.70	5.47
Face Value of Share	10	10

27. 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 2019, below mentioned statutory contributions.

Description	2018-19 ₹	2017-18 ₹
Provident Fund	36,31,540	34,49,125
E.S.I	11,94,333	16,59,458
Total	48,25,873	51,08,583

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

Results of Valuation	2018-19 ₹	2017-18 ₹
PV of Past Service Benefit	1,07,54,820	97,76,971
Current Service Cost	14,77,248	7,56,452
Total Service Gratuity	6,04,66,650	3,40,65,213
Accrued Gratuity	1,31,51,238	1,23,41,699
LCSA	4,73,15,412	2,17,23,514
LC Premium	75,312	42,887
Service Tax & GST	13,556	7,720
Fund Value as on Renewal Date	44,65,090	41,81,205
Additional Contribution for existing fund	66,15,232	55,95,766
Current Service Cost	11,51,746	7,56,452
Total Amount Payable	78,55,846	64,02,825
Actuarial Assumptions		
Mortality Rate	LIC (2006-08) ultimate	LIC (2006-08) ultimate
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age
Discount rate	7.5% p. a	7.5% p. a
Salary Escalation	6%	6%

Notes On Standalone Financial Statements

for the year ended 31st March, 2019

28. Foreign exchange inflow and outflow:

a. Value of Foreign Currency Inflow:

Particulars	2018-19 ₹	2017-18 ₹
Software Development	20,33,75,905	21,33,01,820
Total	20,33,75,905	21,33,01,820

b. Foreign Currency outflow:

Particulars	2018-19 ₹	2017-18 ₹
Travelling Expenses		
Travel Expenses - Directors	2,24,094	3,53,562
Travel Expenses - Employees	35,80,917	6,89,685
Total	38,05,011	10,43,247

29. Related Party Transactions:

a) Name of the related party and relationship:

Party Name	Relation
N.C.V. Rangacharya	Key Managerial Person (Managing Director), Brother of N.C Padmaja.
N.C. Padmaja	Whole time Director and CFO & Sister of N.C.V. Rangacharya.
N.C. Madhavi	Director, sister of Managing director and Whole time director.
S.Nagarajan	Director.
B. Shailaja	Company Secretary & Daughter of N.C. Padmaja.
Apex Engineers (India) Pvt Ltd	Enterprises over which Key managerial personnel has significant influence and Wholly owned Subsidiary.
Apex Advanced Technology LLC USA	Enterprises over which Key managerial personnel has significant influence and Wholly owned Subsidiary.
Cadsys Technologies LLC USA	Enterprises over which Key managerial personnel has significant influence and owned Subsidiary.
Compusonic Technologies	Enterprises over which Key managerial personnel has significant influence.
i Power Four Technologies Pvt Ltd	Enterprises over which Key managerial personnel has significant influence.
Cadsys Technologies LLP	Wholly owned Subsidiary

Notes On Standalone Financial Statements

for the year ended 31st March, 2019



b) Transactions with Related parties

Name of the Related Party	N.C.V. Rangacharya	N.C.Padmaja	B. Shailaja	Cadsys Technologies LLC USA	Apex Advanced Technology LLC USA	Apex Engineers (India) Private Limited	Cadsys Technologies LLP
Description of the nature of transactions	Receiving of professional and management Services	Receiving of professional and management Services	Receiving of professional services	Provision of Services	Provision of Services	Receipt of Services	Provision of Services
Volume of transactions either as an amount or as appropriate proportion	1. Managerial Remuneration of ₹60,00,000/- (₹60,00,000/-) 2. Reimbursement of expenses ₹ 4,08,042/- (₹NIL) 3. Loan Received of ₹NIL (₹1,40,000/-) 4. Loan repaid of ₹ 23,003/- (₹27,10,049/-)	1. Managerial Remuneration of ₹36,00,000 (₹36,00,000) 2. Reimbursement of expenses ₹ 8,62,149/- (₹NIL) 3. Loan Received of ₹NIL (₹5,63,847/-) 4. Loan Repaid of ₹NIL (₹55,03,847/-)	Remuneration of ₹ 9,60,000 (₹3,60,000/-)	Nil	1. Receiving of Services of ₹ 15,53,62,071/- (₹18,21,88,046/-)	1. Receiving of Services of ₹ NIL (₹11,56,64,000/-)	Reimbursement of expenses incurred ₹ 8,84,078
Any other elements of the related party transactions	Nil	Nil	Nil	Nil	Nil	Nil	Nil
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	1. Loan amount outstanding ₹ Nil. (₹23,003/-) 2. Managerial Remuneration Payable of ₹ 2,88,262/- (₹1,05,180/-)	1. Managerial Remuneration Payable of ₹ 2,51,393/- (₹2,07,390/-)	Salary outstanding ₹ 21,687 (₹ NIL)	Amount receivable against export of services of ₹NIL (₹8,59,919/-)	1. Amount receivable against export of services of ₹ 52,95,755/- (₹2,34,62,259/-) 2. Investment of ₹ ₹21,92,83,296/- (₹18,90,88,560)	Amount Receivable of ₹NIL (₹27,240/-)	Investment of ₹ 88,200/- (₹88,200/-)

Notes On Standalone Financial Statements

for the year ended 31st March, 2019

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	Nil	Nil	Nil	Nil	Nil
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30. There were no overdue amounts payable, to Small Scale Industrial Undertakings (MSME) as on 31st March, 2019.
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, 2019 under Companies Act, 2013.
32. The company has takeover the firm M/S. Cogent Designers the bank account of the firm held with Canara Bank, IF Branch, Hyderabad vide current account number 2423201000161 with a balance of ₹1,925/- is Continuing in the name of the Firm.
33. M/S. Cogent Consulting Engineers (India) Pvt Ltd has merged with the Company, the bank accounts of the company held with Canara Bank and Axis Bank, Hyderabad vide current account No.2423201000182 and 553010200000134 with a balance of ₹24,065/- and ₹10,554/- are continuing in the name of the Cogent Consulting Engineers (India) Pvt Ltd.
34. Paise have been rounded off to the nearest rupees.

As per our report of even date
For **NARVEN ASSOCIATES**
Chartered Accountants
Firm Registration Number: 005905S
sd/-
G.V. RAMANA
Partner
Membership No. 025995

Place: Hyderabad
Date: 28th May, 2019

For and on behalf of the Board of Directors

sd/-
N.C.V. RANGACHARYA
Managing Director

sd/-
S. NAGARAJAN
Director

sd/-
B. SHAILAJA
Company Secretary & Compliance Officer

sd/-
N.C. PADMAJA
Chief Financial Officer

Independent Auditors' Report



To,
The Members of Cadsys (India) Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of **M/s Cadsys (India) Limited** ("the Company") and its subsidiaries (the company and the subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March, 2019, the consolidated Statement of Profit and Loss and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Key audit matters

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

There are no Key Audit Matters Reportable as per SA 701 issued by ICAI for the year under audit.

Information other than the consolidated financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. Other information is expected to be made available to us after the date of this auditors' report.

Management's responsibility for the consolidated financial statements

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these consolidated 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.

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 consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements and other financial information of three subsidiaries namely, Apex Advanced Technology LLC, USA, Cadsys Technology LLC, USA and M/S Apex Engineers (India) Private Limited, included in the statement, whose financial statements reflect total assets of ₹ 5,293.35 lakhs as at 31st March, 2019, and Net assets of ₹ 4,370.14 lakhs as at 31st March 2019 in the consolidated balance sheet and total revenues of ₹ 4,848.94 lakhs, total net profit of ₹ 875.51 lakhs for the year ended 31st March, 2019 as considered in the consolidated financial statements. These financial results/statements and other financial information have been reviewed by other auditors whose reports have been furnished to us by the Management. Our opinion, in so far as it relates to the affairs of these subsidiaries, is based solely on the review report of other auditors.

Two of these subsidiaries (Apex Advanced Technology LLC and Cadsys Technology LLC) are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective

countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management.

Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us. Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on other legal and regulatory requirements

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, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses



an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

- a) The Company does not have any pending litigations which would impact its financial position;

- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and;

- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For NARVEN ASSOCIATES
Chartered Accountants
Firm Regn. No: 005905s

sd/-

Place: Hyderabad
Date: 28th May, 2019

G.V.RAMANA
Partner
Membership No.:025995

Annexure - A

To Independent Auditors' Report



To the Auditors' Report of Cadsys (India) Limited

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 1st March 2019, We have audited the internal financial controls over financial reporting of CADSYS (INDIA) LIMITED ("the Company") as at 31st March, 2019, in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

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 and according to the information and explanation given to us, 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 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NARVEN ASSOCIATES
Chartered Accountants
Firm Regn. No: 005905s

sd/-

G.V.RAMANA
Partner

Place: Hyderabad
Date: May 28th, 2019

Membership No.:025995

Consolidated Balance Sheet

for the year ended 31st March, 2019



Particulars	Note No.	As at 31 st March, 2019 (Audited) ₹	As at 31 st March, 2018 (Audited) ₹
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	7,50,25,000	7,50,25,000
(b) Reserves and surplus	3	54,60,21,987	42,08,80,812
(c) Minority interest		(15,84,475)	(13,94,277)
2 Non-current liabilities			
(a) Long-term borrowings	4	4,98,16,858	5,55,11,961
(b) Other Long-term Liabilities	5	-	-
(c) Long-term provisions	6	74,56,659	59,44,113
3 Current liabilities			
(a) Short-term borrowings	7	78,34,744	90,11,627
(b) Trade payables			
i) Total outstanding dues to micro enterprises and small enterprises	8	2,54,119	-
ii) Total outstanding dues to creditors other than micro enterprises and small enterprises	8	2,46,30,547	78,55,627
(c) Other current liabilities	9	2,49,93,947	2,59,60,822
(d) Short-term provisions	10	1,38,29,403	24,22,966
TOTAL		74,82,78,789	60,12,18,651
II ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	11	30,26,67,767	29,27,34,767
(b) Goodwill on consolidation		86,35,534	86,35,534
(c) Non current investments	12	1,37,69,327	1,12,12,771
(d) Deferred tax assets (Net)	13	74,84,423	44,85,280
(e) Long-term loans and advances	14	54,24,973	1,13,44,375
(f) Other non current assets	15	5,43,67,365	3,22,03,845
2 Current assets			
(a) Trade receivables	16	11,29,63,454	8,37,87,853
(b) Cash and cash equivalents	17	18,19,85,964	8,60,15,207
(c) Short-term loans and advances	18	1,68,01,049	1,35,41,372
(d) Other current assets	19	4,41,78,933	5,72,57,647
TOTAL		74,82,78,789	60,12,18,651

Significant Accounting policies
Notes on Financial Statements

1
2 to 31

As per our report of even date
For NARVEN ASSOCIATES
Chartered Accountants
Firm Registration Number: 005905S
sd/-
G.V. RAMANA
Partner
Membership No. 025995

For and on behalf of the Board of Directors

sd/-
N.C.V. RANGACHARYA
Managing Director

sd/-
S. NAGARAJAN
Director

Place: Hyderabad
Date: 28th May, 2019

sd/-
B. SHAILAJA
Company Secretary & Compliance Officer

sd/-
N.C. PADMAJAJA
Chief Financial Officer

Consolidated Profit and Loss Statements

for the year ended 31st March, 2019

Particulars	Note No.	As at 31 st March, 2019 (Audited) ₹	As at 31 st March, 2018 (Audited) ₹
I Revenue from operations	20	52,12,87,491	44,75,58,759
II Other income	21	1,25,44,607	79,28,966
III Total Revenue(I+II)		53,38,32,098	45,54,87,725
IV Expenses			
Employee Benefit Expense	22	19,19,99,660	10,68,92,082
Other Operating Expenses	23	15,58,64,705	20,28,08,479
Financial costs	24	55,43,797	1,93,63,042
Depreciation and amortization expense	11	2,92,05,229	3,77,13,257
Total Expenses		38,26,13,390	36,67,76,859
V Profit before exceptional and extraordinary items and tax (III-IV)		15,12,18,707	8,87,10,865
VI Exceptional items		-	-
VII Profit before extraordinary items and tax (V - VI)		15,12,18,707	8,87,10,865
VIII Extraordinary items		-	-
IX Profit before tax (VII- VIII)		15,12,18,707	8,87,10,865
X Tax expense:			
(a) Current tax Expense		2,69,61,859	1,68,74,653
(b) Deferred tax Expense / (Income)		(29,99,143)	(16,26,740)
(c) Earlier Year Taxes		34,40,283	(10,09,526)
XI Profit (Loss) for the period from continuing operations (VII-VIII)		12,38,15,708	7,44,72,478
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit / (Loss) after tax before Minority Interests (XI + XIV)		12,38,15,708	7,44,72,478
XVI Less : Minority Interests		(3,73,185)	4,96,087
XVII Profit (Loss) for the period (XV-XVI)		12,41,88,893	7,39,76,391
Earning Per Share			
(i) Basic EPS		16.55	11.46
(ii) Diluted EPS		16.55	11.46

Significant Accounting policies
Notes on Financial Statements

1
2 to 31

As per our report of even date
For NARVEN ASSOCIATES
Chartered Accountants
Firm Registration Number: 005905S
sd/-
G.V. RAMANA
Partner
Membership No. 025995

For and on behalf of the Board of Directors

sd/-
N.C.V. RANGACHARYA
Managing Director

sd/-
S. NAGARAJAN
Director

Place: Hyderabad
Date: 28th May, 2019

sd/-
B. SHAILAJA
Company Secretary & Compliance Officer

sd/-
N.C. PADMAJA
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended 31st March, 2019



Particulars		As at 31 st March, 2019 ₹		As at 31 st March, 2018 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax as per Statement of Profit and Loss		15,12,18,707		8,87,10,865
Adjustments For :				
Depreciation and Amortization Expense	2,92,05,229	-	3,77,13,257	-
Finance Costs	55,43,797	-	1,93,63,042	-
Interest Income	(46,47,284)	-	66,09,753	-
Dividend Income	-	-	-	-
Debit Balances Written Off	5,02,850	3,06,04,592	3,22,977	6,40,09,029
Operating Profit before Working Capital Changes		18,18,23,299		15,27,19,894
Adjustments for Changes in Working Capital :				
Adjustments for (Increase) / Decrease in operating assets				
Long-term loans and advances	59,19,401	-	26,77,245	-
Trade Receivables	(2,96,78,451)	-	91,54,735	-
Short Term Loans & Advances	(32,59,677)	-	(85,99,149)	-
Other Current Assets	1,30,78,716	(1,39,40,011)	(2,01,13,284)	(1,68,80,453)
Adjustments for Increase / (Decrease) in operating liabilities				
Other Current Liabilities	(9,66,874)	-	(15,65,577)	-
Long Term Provisions	15,39,430	-	14,48,383	-
Trade Payables	1,70,29,039	-	(4,06,57,890)	-
Other Long Term Liabilities	-	-	-	-
Other Non-Current Assets	(2,21,63,519)	-	(1,72,18,829)	-
Short Term Provision	1,14,06,437	68,44,512	25,33,193	(5,54,60,720)
Cash from Operations		17,47,27,800		8,03,78,721
Income Tax Paid		(3,04,02,142)		(1,68,74,653)
Net Cash Generated from Operating Activities (A)		14,43,25,658		6,35,04,068
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payments for Purchase of Fixed Assets & Goodwill others		(3,91,38,229)		(18,29,84,549)
Payments for Purchase of Mutual Funds (non current investments)		(25,56,556)		(22,92,409)
Interest Income		46,47,284		(66,09,753)
Income/Dividend from long term investments		-		-
Change in Minority Interest		(6,47,907)		(13,94,277)
Net Cash Used in Investing Activities (B)		(3,76,95,409)		(19,32,80,988)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue Of Share capital		-		2,10,00,000
Security Premium Account		-		11,65,52,578
Repayment of Long Term Borrowings		(56,95,103)		(11,65,71,198)
Repayment Short term Borrowings		(11,76,883)		17,78,507

Consolidated Cash Flow Statement

for the year ended 31st March, 2019



Particulars		As at 31 st March, 2019 ₹		As at 31 st March, 2018 ₹
Finance Costs Paid		(55,43,797)		(1,93,63,042)
Dividend and Dividend Distribution Tax Paid		(90,30,009)		(65,02,322)
Net Cash Generated from Financing Activities (C)		(2,14,45,791)		(31,05,477)
Effect of Exchange Differences on translation of foreign currency cash and Cash Equivalents		1,07,86,300		13,96,808
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)		95,970,757		(13,14,85,589)
Add: Cash & Cash Equivalents As at 31st March, 2018		8,60,15,207		21,75,00,796
Cash & Cash Equivalents As at 31st March, 2019		18,19,85,964		8,60,15,207

As per our report of even date
For NARVEN ASSOCIATES
Chartered Accountants
Firm Registration Number: 005905S
sd/-
G.V. RAMANA
Partner
Membership No. 025995

Place: Hyderabad
Date: 28th May, 2019

For and on behalf of the Board of Directors

sd/-
N.C.V. RANGACHARYA
Managing Director

sd/-
S. NAGARAJAN
Director

sd/-
B. SHAILAJA
Company Secretary & Compliance Officer

sd/-
N.C. PADMAJA
Chief Financial Officer

Significant Accounting Policies

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

I. Basis of preparation of consolidated financial statements

The Financial Statements have been prepared and presented in accordance with generally accepted accounting principles in India ("Indian GAAP"). Indian GAAP comprises 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 as adopted consistently by the Company.

II. Principles of Consolidation

The consolidated financial statements include the financial statements of Cadsys (India) Limited (the "parent company"), and its subsidiary (collectively referred to as "the company" or "the Group"), in which the parent company has more than one-half of the voting power of an enterprise or where the parent company controls the composition of the board of directors.

The Group financial statements have been prepared on the following basis.

- The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un realized profits or losses as per Accounting Standard 21-"Consolidated Financial Statements" & "Accounting for Investments in Subsidiaries in Separate Financial Statements".
- Since Cadsys (India) Limited is holding shares of Cadsys Technologies LLC USA from the beginning of its incorporation hence neither goodwill nor capital reserve will appear on consolidation.
- The consolidated financial statements are presented, to the extent possible, in the format as that adopted by the parent company for its separate financial statements.

Following are the Subsidiaries:

Name of the Company of Incorporation	% of Share Holding	Country of Incorporation
1. Cadsys Technologies LLC USA	97.56%	USA
2. Apex Advanced Technology LLC USA	100.00%	USA
3. Apex Engineers (India) Private Limited	80.00%	INDIA

III. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of financial statements and reported amounts of income and expenses during the period. Actual results could differ from the estimates. Examples of such estimates including provision for doubtful debts, future obligations under employee retirement benefit plan, Income taxes. Any changes in estimates are adjusted prospectively. Contingencies are recorded when it's probable that liability will be incurred, and the amount can be reasonably estimated. Where no reliable estimate can be made, a disclosure is made as contingent Liability.

IV. Revenue recognition:

The company generally follows mercantile system of accounting and recognizes significant items of income on accrual basis.

1. Revenue from Providing Services of 'Software as a Service' is recognized when the processes of services are completed and the data is transferred to the customer and billed to clients as per the terms of contracts.
2. Interest income is accounted on time proportion basis.
3. Other Items of Income are accounted as and when right to receive arises.

**V. Expenditure:**

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities.

VI. Fixed Assets & Depreciation:

Fixed Assets are carried at the cost of acquisition or construction less accumulated depreciation.

The cost of tangible fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the cost of acquisition and installation of the respective asset.

Depreciation is provided on Straight Line method basing on the useful life of the assets.

VII. Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for Intended use. All other borrowing cost are charged to revenue.

VIII. Impairment Of Assets:

An asset is treated as impaired when carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the profit and Loss A/c in the year in which an asset is identified as impaired. The impairment loss is recognized in prior accounting periods is reversed if there has been a change in the estimate recoverable amount

IX. Investments

Investments are either classified as current or long term, based on the management's intention at the time of purchase. Current investments are carried at the lower of cost or Fair Value. Long Term investments are carried at cost and Provisions are recorded to recognize any decline, other than temporary, in the carrying value of the each investment.

X. Foreign currency transaction:

Transactions in foreign currency are recorded at Exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the balance Sheet date and resulting gain or loss is recognized in the profit and Loss Account. Non-Monetary assets and liabilities are translated at the rate prevailing on the date of transaction

XI. Accounting for Taxes on Income:


Current Tax: Provision for Current Income tax is made on the basis of the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax: Deferred income tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated amount.

Timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the Balance Sheet date. The deferred tax assets are recognized only to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

XII. Earnings Per Share:

In determining earnings per share, the company considers the net profit after tax and included the post tax effect of any extra ordinary /exceptional item is considered. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares consolidated for deriving basic earnings per share, and also the weighted average number of equity shares that could have adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the



average market value of the outstanding share.) Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

XIII. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

XIV. 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 On Consolidated Financial Statements

for the year ended 31st March, 2019

Note 2 Share capital

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	Number of shares	₹	Number of shares	₹
(a) Authorised Capital				
Equity shares of INR 10 each with voting rights 85,00,000 Nos of shares including 1,50,000 shares of merged company cogent has been considered (P.Y 83,50,000 shares of ₹ 10 each related to cadsys only)	85,00,000	8,50,00,000	85,00,000	8,50,00,000
(b) Issued, Subscribed and Fully paid up:				
Equity shares of ₹ 10 each with voting rights				
(Bonus Shares of ₹ 10 each issued in 4:1 ratio)	75,02,500	7,50,25,000	75,02,500	7,50,25,000
Total	75,02,500	7,50,25,000	75,02,500	7,50,25,000

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

Name Of the Share Holder	As at 31 st March, 2019		As at 31 st March, 2018	
	Number of shares	% Held	Number of shares	% Held
Rangacharya N.C.V	18,90,875	25.20	18,90,875	25.20
Shailaja. B	15,02,400	20.03	15,02,400	20.03
Padmaja N.C	13,16,600	17.55	12,96,600	17.28
Total	47,09,875	62.78	46,89,875	62.51

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

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Equity Shares at the beginning of the year	75,02,500	7,50,25,000	75,02,500	7,50,25,000
Add: Bonus Shares issued during the year	-	-	-	-
Less: Shares Bought back during the year	-	-	-	-
Equity Shares at the end of the year	75,02,500	7,50,25,000	75,02,500	7,50,25,000

Notes On Consolidated Financial Statements

for the year ended 31st March, 2019



Note 3 Reserves and surplus

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
(a) Security Premium Account		
Opening balance	11,73,52,578	8,00,000
Add: Additions during the year	-	12,60,00,000
Less: Share Issue Expenses	-	(94,47,422)
Closing balance (A)	11,73,52,578	11,73,52,578
(b) General reserve		
Opening balance	1,77,80,000	1,77,80,000
Add: Transferred from surplus/ deficit in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year	-	-
Closing balance (B)	1,77,80,000	1,77,80,000
(c) Capital reserve on Consolidation		
Excess of Net assets acquired over investment made	-	-
Closing balance (C)	-	-
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	28,37,32,935	21,39,60,442
Add: Profit / (Loss) for the year	12,41,88,893	7,39,76,391
Less: Dividend Paid	(75,02,500)	(54,02,500)
Less: Dividend Distribution Tax	(15,27,509)	(10,99,822)
Add: Minority Interest	12,11,290	20,40,504
Closing balance (D)	40,01,03,110	28,37,32,935
(e) Foreign Currency Translation Reserve	1,07,86,300	20,15,299
Closing balance (E)	1,07,86,300	20,15,299
Total (A+B+C+D+E)	54,60,21,987	42,08,80,812

* Net loss related to Minority shareholders borne by majority share holders

Note 4 Long-Term borrowings

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Term Loans		
Unsecured		
Columbia Inc	3,47,50,000	3,25,83,930
Loans from directors	39,87,500	1,14,49,752
Loans from related Parties	91,20,026	93,81,526
Vehicle Loan	19,59,332	20,96,752
Total	4,98,16,858	5,55,11,961

Notes On Consolidated Financial Statements

for the year ended 31st March, 2019

Note 5 Other Long-Term Liabilities

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Total	-	-

Note 6 Long -Term provisions

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Provision for Employee retirement benefits		
Provision for Gratuity	74,56,659	59,44,113
Total	74,56,659	59,44,113

Note 7 Short-Term borrowings

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Loans Repayable on Demand		
From Banks		
Secured		
Over Draft from Canara Bank	78,34,744	90,11,627
Total	78,34,744	90,11,627

Of the above

* Over Draft limit of ₹ 700 lakhs Secured by way of Hypothecation of Equipment and floating charge on movable assets and personal guarantee given by the Managing Director, and Executive Director and Director of the Company & 'Collateral Security' of Residential Plots admeasuring 2,000 Sq Yds situated at Thimmayapalli, Keesara Mandal R.R.Dist, and Open Plots admeasuring 5,230 Sq.Yds situated at Ghanpur Village, Toopran Mandal, Medak District and open plot No.11 admeasuring 773 Sq Yds and Open Plots admeasuring 7,465 Sq Yds at Ghanpur Village, Toopran Mandal, Medak Dist. and open Plots admeasuring 2,311 Sq Yds situated at Yawapoor Village, Toopran Mandal, Medak District.

Note 8 Trade payables

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Trade Payables		
i) Total outstanding dues to micro enterprises and small enterprises	2,54,119	-
i) Total outstanding dues to creditors other than micro enterprises and small enterprises	2,46,30,547	78,55,627
Total	2,48,84,666	78,55,627

Notes On Consolidated Financial Statements

for the year ended 31st March, 2019



Note 9 Other current liabilities

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Current Maturities of Long Term Debt	4,00,421	13,01,015
Current Maturities of Finance Lease Obligations	4,51,593	6,21,982
Employee Benefits Payable		
Bonus Payable	29,87,427	31,03,200
Director Remuneration Payable	5,39,655	3,12,558
Directors Sitting Fee Payable	72,000	-
Employee Recreation Fund	3,58,002	3,94,502
Salaries Payable	1,05,15,474	86,55,760
Other Payable	14,96,519	-
Statutory Liabilities Payable		
Professional Tax Payable	2,00,450	49,000
AP Individuals	2,78,000	2,60,280
ESI Payable	1,37,832	1,44,547
PF Payable	6,09,053	5,19,531
TDS Payable	5,43,451	49,11,298
Other Payables		
Audit Fee Payable	4,14,000	3,60,000
CSR Liability	23,93,936	12,76,352
Duties & Taxes	-	7,81,076
Electricity Charges Payable	3,12,637	3,97,447
Expenses Payable	1,47,895	3,04,245
Other Payables	15,59,555	15,37,099
Rent Payable	15,76,047	10,21,065
Telephone Charges Payable	-	9,864
Total	2,49,93,947	2,59,60,822

Note 10 Short-Term provisions

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Provision for Income Tax (Net of TDS & Advance Tax)	1,38,29,403	24,22,966
Total	1,38,29,403	24,22,966

Notes On Consolidated Financial Statements

for the year ended 31st March, 2019

Schedule Fixed Assets :11

		GROSS BLOCK				DEPRECIATION					NET BLOCK		
Sr. No	Description	As at 01-04-2018	Additions during the year	Deletions during the year	As on 31-03-19	Up to 01-04-2018	Deletions during the year	1st Half Year	2nd Half Year	Total	Adjusted against Re-serves	As on 31-03-2019	As on 31-03-2018
		₹	₹	₹	₹	₹	₹	₹	₹	₹		₹	₹
	Tangible Fixed Assets												
1	Furniture & Fittings	1,71,84,786	-	8,98,024	1,62,86,762	1,44,42,449	7,37,351	3,46,004	2,56,638	6,02,642	-	1,43,07,740	27,42,345
2	Computer	7,66,25,655	3,50,002	-	7,69,75,657	7,55,22,292	-	7,55,549	1,22,787	8,78,336	-	7,64,00,628	11,03,363
3	Servers	41,83,654	-	-	41,83,654	31,96,222	-	3,12,648	2,53,930	5,66,577	-	37,62,799	9,87,432
4	Electrical Equipments	50,29,488	-	-	50,29,488	48,28,337	-	20,155	17,510	37,665	-	48,66,002	2,01,151
5	Office Equipment	63,92,049	80,636	-	64,72,685	53,50,614	-	2,42,504	1,85,948	4,28,452	-	57,79,066	10,41,435
6	Vehicle	62,96,477	-	-	62,96,477	25,29,367	-	3,93,530	3,93,530	7,87,060	-	33,16,427	37,67,110
7	Air conditioner	24,99,073	39,595	-	25,38,668	20,55,761	-	39,290	39,637	78,927	-	21,34,688	4,43,312
8	Generator	33,94,362	-	-	33,94,362	24,87,141	-	84,315	84,315	1,68,630	-	26,55,771	9,07,221
9	UPS	39,43,590	-	-	39,43,590	30,91,822	-	3,40,685	1,35,677	4,76,362	-	35,68,184	8,51,768
10	Communication Equipment	48,98,085	-	-	48,98,085	44,30,549	-	2,02,891	64,673	2,67,565	-	46,98,114	4,67,536
11	Land	3,65,63,113	34,63,938	-	4,00,27,051	-	-	-	-	-	-	4,00,27,051	3,65,63,113
	Total	16,70,10,332	39,34,171	8,98,024	17,00,46,479	11,79,34,554	7,37,351	27,37,571	15,54,645	42,92,216	-	12,14,89,419	4,90,75,786
	Intangible Fixed Assets					-							
12	Software	7,21,06,265	3,53,64,739	-	10,74,71,004	3,11,97,322	-	1,01,51,422	1,41,85,845	2,43,37,267	-	5,55,34,589	4,09,08,943
13	Goodwill	22,47,01,001	-	-	22,47,01,001	2,19,50,963	-	2,87,873	2,87,873	5,75,746	-	2,25,26,709	20,27,50,038
	Total	29,68,07,266	3,53,64,739	-	33,21,72,005	5,31,48,285	-	1,04,39,295	1,44,73,718	2,49,13,013	-	7,80,61,298	24,36,58,981
	Grand Total	46,38,17,598	3,92,98,910		50,22,18,484	17,10,82,839		1,31,76,866	1,60,28,363	2,92,05,229	-	19,95,50,716	29,27,34,767

Notes On Consolidated Financial Statements

for the year ended 31st March, 2019



Note 12 Non current investments

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Canara Bank Robeco Mutual Fund	1,21,97,423	96,41,067
Cadsys Technologies LLP	88,200	88,000
Investments- Instancy Inc USA	14,83,704	14,83,704
Total	1,37,69,327	1,12,12,771

Note 13 Deferred tax assests (Net)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Deferred tax liability		
Related to fixed assets	(39,03,331)	(6,35,094)
Deferred tax assets		
Disallowances under the Income Tax Act' 1961	(35,81,092)	(38,50,186)
Deferred tax Liability (Net)	(74,84,423)	(44,85,280)

Note 14 Long-Term loans and advances

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
(a) Advance for Capital Investment		
Unsecured, considered good		
Apex Engineers (India) Pvt. Ltd	-	27,241
(b) Security deposits		
Rent Deposits	33,47,992	38,47,992
Electricity Deposits	12,59,021	12,59,021
Other Deposits	7,79,274	61,71,436
(c) Other loans and advances		
Unsecured Considered Good		
APIIC Limited	38,685	38,685
Total	54,24,973	1,13,44,375

Notes On Consolidated Financial Statements

for the year ended 31st March, 2019

Note 15 Other non-current assests

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Preliminary Expenses	1,34,64,554	1,40,35,962
Payroll Amortisation	1,36,30,101	1,81,67,883
Non Compete Fee	2,72,72,710	-
Total	5,43,67,365	3,22,03,845

Note 16 Trade receivables

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Trade receivables		
Unsecured, considered good		
More than six months	23,55,870	9,79,419
Others	11,06,07,584	8,28,08,434
Total	11,29,63,454	8,37,87,853

Note 17 Cash and cash equivalents

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
(a) Cash on hand	2,34,009	1,34,698
(b) Balances with banks		
(i) In current accounts	10,26,88,526	1,57,42,874
(ii) In Fixed deposit accounts (period of maturity within one year)	7,90,63,429	7,01,37,634
Total	18,19,85,964	8,60,15,207

Note 18 Short-term loans and advances

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
(a) Others Loans and advances		
Advance to Employees	1,89,931	3,40,054
Other Advances	5,76,850	8,75,967
TDS & Refund receivables	44,49,850	46,73,890
Input GST	1,15,84,418	76,51,461
Total	1,68,01,049	1,35,41,372

Notes On Consolidated Financial Statements

for the year ended 31st March, 2019



Note 19 Other current assets

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Interest Accrued On Fixed Deposits	24,76,228	24,24,394
Other recivables	46,57,745	11,67,110
Prepaid Expenses	87,43,727	74,34,544
Work In Progress	2,83,01,232	4,62,31,600
Total	4,41,78,932	5,72,57,647

Note 20. Revenue from Operations

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Revenue from operations		
Sale of Services	50,53,02,139	40,13,27,159
Unbilled Revenue	1,59,85,352	4,62,31,600
Total	52,12,87,491	44,75,58,759

Note 21. Other income

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Interest Income	46,47,284	66,09,753
Other Income	68,03,571	13,19,213
Exchange Gain	10,93,753	-
Total	1,25,44,607	79,28,966

Note 22. Employee Benefit Expense

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Salaries and wages	16,74,90,169	8,21,52,361
Remuneration to Directors	96,00,000	96,00,000
Contributions to provident and other funds	54,41,587	83,28,861
Staff welfare expenses	60,47,526	42,96,080
Gratuity	34,20,378	25,14,780
Total	19,19,99,660	10,68,92,082

Notes On Consolidated Financial Statements

for the year ended 31st March, 2019

Note 23. Other Operating Expenses

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Payments to Auditor as :		
(a) Statutory Audit Fee	3,00,000	3,00,000
(b) Tax Audit Fee	1,50,000	1,50,000
(c) Secretarial Audit Fee	1,20,000	-
Accounting fee	-	87,669
Advertising Expenses	3,93,986	1,16,13,479
Bad debts Write off	5,02,850	3,22,977
Bank charges	4,90,582	3,53,764
Books & Periodicals	13,504	10,145
COGS	6,07,51,013	3,47,012
Computer Consumables	2,16,116	3,03,970
Computer Hire Charges	-	7,17,003
CSR Expenses	11,17,584	22,76,352
Directors Sitting Fee	80,000	-
Donations	65,212	60,000
Due&Publications	34,357	1,33,776
Domain Renewal charges	1,45,139	95,613
Electricity Charges	67,02,798	92,10,919
Exchange Loss	-	24,14,914
Foreign Travel Expenses -Directors	2,24,094	3,53,562
Foreign Travel Expenses -Employees	44,20,579	6,89,685
Fuel Expenses	2,27,933	2,38,479
Immigration fee	4,78,467	1,55,207
Insurance	71,03,117	66,38,796
Interest on Service Tax	-	3,54,507
Internet Charges	4,22,364	64,274
Job Work Charges	4,54,000	9,35,97,600
Legal Expenses	20,96,737	4,56,839
Misc Expenses	37,08,330	23,19,542
Office Expenses	77,40,233	89,56,092
Other Charges	-	6,92,226
Postage & Courier Charges	3,28,444	91,445
Printing & Stationery	3,13,623	3,59,498
Prior Period Expenses	2,53,015	-
Professional & Consultancy Charges	72,01,631	2,54,33,185
Amortization	57,34,160	-

Notes On Consolidated Financial Statements

for the year ended 31st March, 2019



Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Rates & Taxes	19,55,943	19,59,180
Rent	79,05,014	1,19,81,126
Repairs & Maintenance - Others	13,41,189	14,57,840
Sales Commission	1,80,43,108	80,39,619
Sales Consulting Fee	33,51,291	32,66,482
Security Charges	7,76,500	9,80,000
Service Charges	2,29,500	2,000
Service Tax & Swach bharat cess	-	11,48,004
Software Charges	8,84,368	-
Subscription & Other Charges	10,94,269	11,43,248
Telephone Charges	4,44,095	4,04,043
Travelling and Conveyance	79,77,240	36,28,408
Under Writing Commission	-	-
Visa Fee	72,320	-
Total	15,58,64,705	20,28,08,479

Note 24. Financial costs

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
	₹	₹
Interest expense on:		
- Interest on Finance Lease Loans	760	2,82,743
- Interest On Working Capital Loans	18,59,351	20,67,773
- Interest Others	34,03,019	1,66,94,054
- Interest on Vehicle loans	2,80,667	3,18,472
Total	55,43,797	1,93,63,042

Notes On Consolidated Financial Statements

for the year ended 31st March, 2019

25. Capital Commitment and Contingent liabilities:

a. Estimated amount of unexecuted capital contracts

Sr. No	Particulars	2018-19 ₹	2017-18 ₹
1	Unexecuted Capital Contracts	NIL	1,67,00,050

b. Contingent liabilities:

Sr. No	Particulars	2018-19 ₹	2017-18 ₹
1	Outstanding Corporate Guarantees	2,13,141	2,13,141

26. Auditors Remuneration:

Particulars	Current Year	Previous Year
	₹	₹
Audit Fee	4,50,000	4,50,000
Total	4,50,000	4,50,000

27. 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	Whole time Director and CFO & Sister of N.C.V. Rangacharya.
N.C.Madhavi	Director, sister of Managing director and Whole time director.
S.Nagarajan	Director.
B. Shailaja	Daughter of N C Padmaja, Compliance Officer.
Apex Engineers (India) Pvt Ltd	Enterprises over which Key managerial personnel has significant influence and Wholly owned Subsidiary.
Apex Advanced Technology LLC USA	Enterprises over which Key managerial personnel has significant influence and Wholly owned Subsidiary.
Cadsys Technologies LLC USA	Enterprises over which Key managerial personnel has significant influence and owned Subsidiary.
Compusonic Technologies	Enterprises over which Key managerial personnel has significant influence.
i Power Four Technologies Pvt Ltd	Enterprises over which Key managerial personnel has significant influence.
Cadsys Technologies LLP	Wholly owned Subsidiary.

Notes On Consolidated Financial Statements

for the year ended 31st March, 2019



b) Transactions with Related parties

Name of the Related Party	N.C.V. Rangacharya	N.C.Padmaja	Apex Engineers (India) Pvt Ltd	Cadsys Technologies LLC USA	Apex Advanced Technology LLC USA	Cadsys Technologies LLP	B. Shailaja
Description of the nature of transactions	1. Receiving of Services. 2.Unseured Loan Given	1. Receiving of Services. 2.Unseured Loan Given	1. Receiving of Services.	1. Providing of Services.	1. Providing of Services.	1. Providing of Services	Receiving of Services as Company Secretary & Compliance officer
Volume of transactions either as an amount or as appropriate proportion	1.Managerial Remuneration of ₹ 60,00,000/- (₹ 60,00,000/-) 2. Reimbursement of expenses ₹ 4,08,042/- (₹ NIL) 3.Loan Received of ₹NIL (₹ 1,40,000/-) 4. Loan repaid of ₹ 23,003/- (₹ 27,10,049/-)	1.Managerial Remuneration of ₹ 36,00,000 (₹ 36,00,000) 2. Reimbursement of expenses ₹ 8,62,149/- (₹ NIL) 3.Loan Received of ₹ NIL (₹ 5,63,847/-) 4.Loan Repaid of ₹ NIL (₹ 55,03,847/-)	1.Receiving of Services of ₹ NIL (₹ 11,56,64,000/-)	NIL	1. Receiving of Services of ₹ 15,53,62,071/- (₹ 18,21,88,046/-)	Reimbursement of expenses incurred ₹ 884,078	Remuneration of ₹ 9,60,000 (₹ 3,60,000/-)
Any other elements of the related party transactions	NIL	NIL	NIL	NIL	NIL	NIL	NIL
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	1. Loan amount outstanding ₹ Nil. (₹ 23,003/-) 2.Managerial Remuneration Payable of ₹. 2,88,262/- (₹ 1,05,180/-)	1.Managerial Remuneration Payable of ₹ 2,51,393/- (₹ 2,07,390/-)	Amount Receivable of ₹ NIL (₹ 27,240/-)	Amount receivable against export of services of ₹ NIL (₹ 8,59,919/-)	Amount receivable against export of services of ₹ 52,95,755/-	Investment of ₹ 88,200/- (₹ 88,200/-)	Salary outstanding ₹ 21,687 (₹ NIL)
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 form or to related parties	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Notes On Consolidated Financial Statements

for the year ended 31st March, 2019

28. Additional Information to the Consolidated Financial Statements:

Sr. No	Name Of The Entity	As at 31 st March, 2019		For The Year Ended 31 st March, 2019	
		Net Assets i.e. Total Assets Minus Total Liabilities		Share In Profit/(Loss)	
		As % Of Consolidated Net Assets	Amount	As % Of Consolidated Profit/(Loss)	Amount
	Parent				
	Cadsys (India) Limited	100%	61,24,11,453	100%	12,41,88,893
	Subsidiaries				
	Foreign				
1	Cadsys Technologies LLC USA	2%	1,22,48,229	2%	24,83,778
	Domestic				
2	Apex Engineers (India) Private Limited	20.00%	12,24,82,291	20.00%	2,48,37,779

29. There were no overdue amounts exceeding ₹1, 00,000/- each, which are outstanding for more than 30 days payable to Small Scale Industrial Undertakings as on 31st March, 2019.

30. Paise has been rounded off to the nearest rupee.

31. Previous Year Figures are regrouped wherever necessary.

As per our report of even date
For NARVEN ASSOCIATES
Chartered Accountants
Firm Registration Number: 005905S
sd/-
G.V. RAMANA
Partner
Membership No. 025995

Place: Hyderabad
Date: 28th May, 2019

For and on behalf of the Board of Directors

sd/-
N.C.V. RANGACHARYA
Managing Director

sd/-
S. NAGARAJAN
Director

sd/-
B. SHAILAJA
Company Secretary & Compliance Officer

sd/-
N.C. PADMAJA
Chief Financial Officer

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 27th ANNUAL GENERAL MEETING OF THE MEMBERS OF CADSYS (INDIA) LIMITED WILL BE HELD ON TUESDAY THE 24th DAY OF SEPTEMBER, 2019 AT 10.30 A.M. (IST) AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 3-5-900/1, IV FLOOR, APARAJITHA ARCADE, HIMAYATH NAGAR, HYDERABAD - 500029, TELANGANA, INDIA TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS

1. Adoption of Financial Statements:

To receive, consider, discuss and adopt –

- a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Board's Report and Auditor's Report thereon and
- b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Board's Report and Auditor's Report thereon and in this regard, to consider and if thought fit, to pass the following resolutions as **Ordinary Resolutions**:
 - (a) **"RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended on 31st March, 2019, the Board's Report and Auditor's Report thereon placed before this meeting, be and are hereby received, considered and adopted."
 - (b) **"RESOLVED FURTHER THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2019, the Board's Report and Auditor's Report thereon placed before this meeting, be and are hereby received, considered and adopted."

2. Re-appointment of Mrs. Nallani Chakravarthi Madhavi as a Director, liable to retire by rotation:

To appoint a Director in place of Mrs. Nallani Chakravarthi Madhavi (DIN: 01067690), who retires by rotation and being eligible, offers herself for re-appointment as a

Director and in this regard, consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be and is accorded to re-appoint Mrs. Nallani Chakravarthi Madhavi (DIN: 01067690) as a Director to the extent that she is liable to retire by rotation."

3. Declaration of Dividend:

To consider and declare final dividend of ₹ 1.25/- per Equity Share for the Financial year ended 31st March, 2019 and in this regard, consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT a final dividend at the rate of 12.5% of the face value of the Equity Share (i.e. ₹ 1.25/- per Equity share) for the financial year ended on 31st March, 2019 be and is hereby declared and approved."

SPECIAL BUSINESS

4. To Consider and approve an increase in the Borrowing Limits of the Company:

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and 180(2) and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modifications or amendments or re-amendments thereof, if any, for the time being in force and in accordance with the Articles of Association of the Company, approval of members be and is hereby granted to the Board of Directors of Company for borrowing money(ies) from time to time as they may think fit, any sum upto a limit of ₹ 20,00,00,000/- (Rupees Twenty Crores Only), over and above the limits as prescribed under the Companies Act, 2013 i.e., aggregate of the Paid-up Share Capital, Free Reserves and Securities Premium of the Company, on such terms and conditions as the Board may deem fit, whether the

same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over in any respect of all, or any of the Company's assets and effects or properties whether movable or immovable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained by the Company as per the provisions of Section 180(1)(c)), exceeds the aggregate for the time being, of the Paid-up Share Capital, Free Reserves and Securities Premium of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such other acts, deeds, matters and things as may be necessary, in

the best interests of the Company and sign, execute and submit all necessary documents, applications and returns with the statutory authorities to give effect to the above resolution along with filing of necessary E-Forms with the Registrar of Companies, Telangana, Ministry of Corporate Affairs"

Cadsys (India) Limited

sd/-

Place: Hyderabad
Date: 29th August, 2019

N.C Padmaja
Whole Time Director
DIN: 01173673



EXPLANATORY STATEMENT
(Pursuant to the provisions of Section 102 of Companies Act, 2013)

Item No. 4:

Pursuant to the provisions of Section 180(1)(c) and 180(2) of the Companies Act, 2013, ("the Act") read with relevant rules made thereunder, the Board of Directors shall not, except with the approval of members by way of Special Resolution, borrow money, where the money to be borrowed, together with the money already borrowed by the Company exceeds the aggregate of its Paid-up Share Capital, Free Reserves and Securities Premium (apart from temporary loans obtained from the Company's Bankers in the ordinary course of the business).

The Company is in need of capital funds for the construction process which was started on the land situated in Mangalgi, Andhra Pradesh State. Keeping in view the growing fund requirements of the Company for construction project, other business plans and future assignments in a long term perspective, it is hereby proposed to obtain member's approval by way of Special Resolution to enable Board of Directors to borrow money from time to time on behalf of Company up to a sum of money not exceeding ₹ 20,00,00,000/- (Rupees Twenty Crores Only) over and above the limits as prescribed under the Act, i.e., aggregate of Paid-up Share Capital, Free Reserves and Securities Premium of the Company by creating charge/ mortgage/hypothecation and/or any other encumbrances, if any on all or any of the movable or immovable properties of the Company, both present and future.

Actual borrowing may however be authorized by the Board of Directors as per the requirement subject to the maximum limit approved by the members.

The Directors recommend the resolution for your approval as a Special Resolution

None of the Directors/ KMPs and their relatives are interested in this Resolution.

Cadsys (India) Limited

sd/-
N.C Padmaja
Whole Time Director
DIN: 01173673

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as a proxy to attend and vote on his/ her behalf in the meeting and such person can act as a proxy on behalf of members of the company not exceeding 50 (Fifty) and holding in aggregate not more than 10% (Ten percent) of the total shares. A member holding more than 10% (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 shareholder.
2. The instrument appointing the Proxy, duly completed must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.
3. A Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special business is annexed hereto and forms part of this Notice.
4. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said Resolution to attend and vote on their behalf at the Meeting.
5. Members/proxies should bring the duly filled Attendance Slip/proxy form enclosed herewith to attend the meeting.
6. Government of India insisted for "Green initiative in the Corporate Governance" by permitting the Companies to send the Financial Statement viz. Balance Sheet, Profit & Loss Statement, Directors' Report and Auditor's Report etc. to their members through email instead of sending physical copies. Members are requested to support the Green Initiative by the Government and get their email addresses registered with their Depository Participants in case of shares held in Demat form.
7. A copy of the Annual Report for the FY 2018-19 with Attendance Slip and Proxy form are being sent by electronic mode only, to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purpose unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent by the permitted mode.
8. Members may note that the Notice of the 27th Annual General Meeting and the Annual Report 2019 will also be available on the Company's website <http://www.cadsystech.com/investor/>. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad, Telangana for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at cs@cadsystech.com.
9. The Register of Members and Share Transfer Books of the Company will remain closed from 14th September, 2019 to 24th September, 2019 (both days inclusive).
10. Subject to the provisions of Section 123 to Section 127 of the Companies Act, 2013, Dividend on Equity Shares for the year ended 31st March, 2019 as recommended by the Board excluding the shares upon which the members have waived/forgone his/their right to receive the dividend by him/them for financial year 2018-19, if approved by the members at the AGM, will be paid within a period of 30 days from the date of declaration to those Members who have not waived their right to receive the dividend for the Financial year 2018-19.
 - i. Since all the shares are held in electronic form, to all beneficial owners as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose, as on record date i.e., 13th September, 2019.
11. Members whose shareholding is in the electronic mode are requested to direct change of address notifications



and update bank account detail to their respective Depository Participant(s). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.

12. Members are requested to quote their Registered Folio Number or Demat Account Number & Depository Participant (DP) ID number on all correspondences with the Company. The transfer deeds, communication for change of address, bank details, ECS details, mandates (if any), should be lodged with the Registrar & Share Transfer Agents (RTA) of the Company, Bigshare Services Private Limited. Members whose shares are held in the electronic mode are requested to intimate the same to their respective Depository Participants.
13. Additional information pursuant to SEBI Listing Regulations and SS-2 issued by the ICSI in respect of the Directors seeking appointment at the Annual General Meeting is furnished and forms part of the Notice. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment.
14. The Statutory Register under the Companies Act, 2013 (Register under Section 170, 189 and other section as required by the Companies Act, 2013) is available for inspection at the Registered Office of the Company during business hours between 10.00 am to 6.00 pm except on holidays and will be made available at the venue of the meeting.
15. As per Notification issued by Ministry of Corporate Affairs dated 19th March, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and XC as per SEBI (ICDR) Regulations, 2009, will be exempted from E-Voting provisions. Our Company is covered under Chapter XB since it is listed on SME platform of NSE EMERGE. Ballot/polling paper shall be made available at the meeting and members attending the meeting can cast their vote through ballot/polling papers to exercise their right at the meeting.
16. The Company has appointed CS Nitesh Agarwal, Partner of M/s. RANJ & Associates, Company Secretaries to act as the Scrutinizer & shall scrutinize the entire voting process to be conducted at the Venue of Annual General Meeting. The Scrutinizer, Email ID: is consult@ranjcs.com, who shall scrutinize the process in fair and transparent manner.

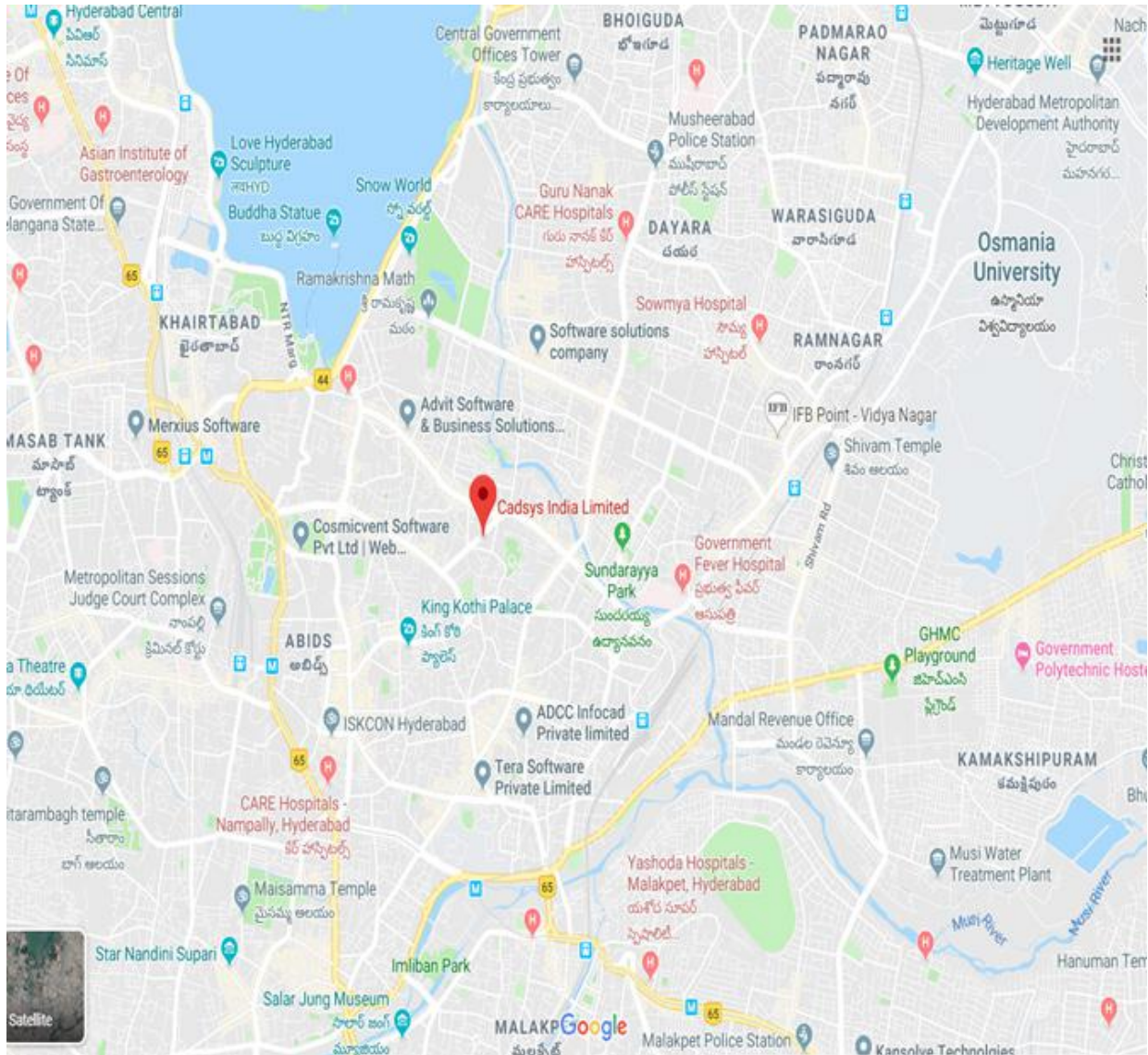


**Details of Director recommended for appointment / reappointment at the AGM as required
Under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015**

Sr. No.	Particulars	Information
1.	Name of Director	Nallani Chakravarthi Madhavi
2.	Director Identification Number	01067690
3.	Brief Resume of Director	She holds a Master's degree in Computer Application from Osmania University. She has been associated with our Company in the capacity of a Director since 20 th March, 2005.
4.	Nature of her expertise in specific functional areas	Mrs. Madhavi has extensively worked in the business of digitization and e-learning in the project planning and implementation. Her vast experience in this area has contributed to strategy and planning for business development and conduct project viability analysis.
5.	Disclosure of relationships between Directors inter-se	Sister of N.C.V. Rangacharya and N.C. Padmaja
6.	Names of listed entities in which the person also holds the Directorship	NIL
7.	The membership of Committees of the board	She is holding membership in Stakeholder's Relationship Committee and Internal Complaints Committee.
8.	Disclosure of Disqualification	She is not disqualified from being appointed as a Director

ROUTE MAP

Map Showing Location of the venue of the Annual General Meeting of Cadsys (India) Limited:



Address: 3-5-900/1, IVth Floor, Aparajitha Arcade, Himayath Nagar, Hyderabad- 500029, Telangana, India

Google Location link: <https://tinyurl.com/y5z698vo>



Cadsys (India) Limited

Company Identity No. (CIN): L72200TG1992PLC014558
R.O: 3-5-900/1, IVth Floor, Aparajitha Arcade, Himayath Nagar, Hyderabad-500029, Telangana, India
Email: cs@cadssystem.com, web: www.cadssystem.com
Tel. Phone No.: 040 - 23224110

ATTENDANCE SLIP 27th ANNUAL GENERAL MEETING

(Please present this slip at the entrance of the meeting venue)

Regd. folio No.:

No of Share(s) held :

Client ID / DPID :

Name and Address of the registered shareholder

I / We, hereby record my/our presence at the 27th Annual General Meeting of the Company to be held on Tuesday the 24th day of September, 2019 at 10.30 A.M. IST at the registered office of the Company situated at 3-5-900/1, IV Floor, Aparajitha Arcade, Himayath Nagar, Hyderabad- 500029, Telangana, India

.....
Signature of the Shareholder/ Proxy

Notes:

1. Members are requested to register their names at least 15 minutes prior to the commencement of the meeting.
2. Strike out whichever is not applicable.



Cadsys (India) Limited

Company Identity No. (CIN): L72200TG1992PLC014558
R.O: 3-5-900/1, IVth Floor, Aparajitha Arcade, Himayath Nagar, Hyderabad-500029, Telangana, India
Email: cs@cadsystech.com, web: www.cadsystech.com
Tel. Phone No.: 040 - 23224110

PROXY FORM
FORM NO. MGT-11
27th ANNUAL GENERAL MEETING

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s):	
Registered Address	
E-mail ID	
Folio No./ DP ID /Client ID No.	

I/We being a member(s) of shares of the above named company, hereby appoint:

1	Name:		
	Address:		
	Email ID:	Signature	
	Failing Him /Her:		
2	Name:		
	Address:		
	Email ID:	Signature	
	Failing Him /Her:		
3	Name:		
	Address:		
	Email ID:	Signature	
	Failing Him /Her:		

as my/our proxy to attend and vote (on a poll) for me / us on my/our behalf at the 27th Annual General Meeting of the Company to be held on Tuesday the 24th day of September, 2019 at 10.30 A.M. IST at the registered office of the Company situated at 3-5-900/1, IV Floor, Aparajitha Arcade, Himayath Nagar, Hyderabad- 500029, Telangana, India, in respect of such resolutions as are indicated below:



	Resolutions	For	Against
1.	To receive, consider, discuss and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31 st March, 2019 together with the Board's Report and Auditors' Report thereon.		
2.	Re-appointment of Mrs. Nallani Chakravarthi Madhavi as a Director, liable to retire by rotation.		
3.	Declaration of Dividend.		
4.	To Consider and approve an increase in the Borrowing Limit of the Company.		

Signed this day of, 2019

Signature of shareholder:.....

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

Please Affix
Re. 1/-
Revenue
Stamp

Note:

1. A proxy need not be a member.
2. The proxy form in order to be effective should be duly stamped, completed, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

Notes

