



CADSYS (INDIA) LIMITED

Engineering The Digital Transformation



Disclaimer:

This information may contain certain forward-looking statements/details in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Investors/ shareholders/public are hence cautioned not to place undue reliance on these statements/details, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following here in reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events or otherwise.

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Managing Director's Speech



“ Dear Shareholders,

The world is facing tough winds; economies across the sectors are fluttering, but we are sailing through the rough waters with iron willpower. This unprecedented situation has brought about radical changes not only to individual lifestyles but also to the organisations in the way they function. I proudly recall that, as a company we overcame every challenge we experienced since inception. This pandemic however, has posed a unique challenge to all of us. We are, nevertheless, holding on to these rough tides and continuing to sail through with the strong support from our committed employees, customers and partners. We have proved once again that we are formidable and tough as a team in facing these kind of challenges. I express my deepest gratitude to all the shareholders for being with us as a family and bestowing the trust in the company.

Our top priority has always been safety and wellbeing of our employees. Our team formulated a robust action plan to monitor and implement specific precautionary measures for the operations and production teams to maintain proper safety and hygiene standards. We strictly followed the guidelines issued by the Government with respect to enforcing social distancing norms and maintenance of clean and hygiene work environment. As the no. of cases began to rise, we subsequently re-structured our operations enabling our employees to work remotely, minimizing the health risks to our employees and simultaneously ensured our customer commitments are not impacted.

Like on most organisations in the world, the pandemic had an impact on our business too. But we tried to do our best to mitigate the risks at all possible levels. Our employees have exhibited a strong sense of responsibility and have worked relentlessly to ensure we continue with business as usual, despite the hardship. To ensure business continuity, we had renegotiated the contracts so that disruptions in any delivery timelines due to the pandemic will not affect the business. Our team and associates did their best to seamlessly transition the hardware equipment to all the employees to work remotely while ensuring compliance to ISO 27001 security norms. Initially we did face a slack in our efficiencies but the team came up with innovative and well-co-ordinated solutions to take our efficiencies back to pre-pandemic levels. Even in our on-site operations, we faced significant challenges especially while performing outdoor surveying activity. Due to strict lockdown norms in the cities, where majority of our project sites are located, the surveying activities were impacted and had to be rescheduled. It also demanded additional health equipment for our field engineers, which we quickly organized to ensure they undertake the survey in a safe manner. In addition to this many restrictions on issuance of US visas to foreign nationals continued to pose significant operational challenges. Further, heavy disruptions in the supply-chain between the countries has also effected the volume of the business.

I would like to now present to you all the financial highlights for FY 2019 – 20. The standalone turnover was ₹ 1,690 lakhs as opposed to ₹ 2,152 lakhs. We noted a decline in the revenue by 21.46%. In terms of revenue performance and business growth, under consolidated financials your Company in the current year achieved revenue of ₹ 4,272 Lakhs in FY 2019-20 as compared to ₹ 5,338 Lakhs in FY 2018-19. We noted a decline in the revenue by 19.97%.

The current year Profit After Tax (PAT) under Standalone is ₹ 210.26 Lakhs as compared to ₹ 277.69 Lakhs in the year 2018-19. In the consolidated financials, the PAT for current year is ₹ 29.96 Lakhs to ₹ 1241.89 Lakhs of PAT in the previous financial year.

While the world economy is facing headwinds, the telecommunications sector seems to have a positive outlook. According to a research and data analysis, Telecommunications which held the largest market share by application in 2016 should remain the market leader through 2024. The fortunes of critical industry areas where Cadsys has its prime footing appear positive in the coming years. There is a significant increase in the demand for bandwidth and also the rising demand for transmission speed and data volume in data centres is primarily driving the market for fibre optics. There is a rise in demand of optical networks in the Asia Pacific region which is good news for the industry.

Looking ahead

As I mentioned earlier, the current situation is all about rediscovering ourselves and moving forward by grabbing not only the opportunities that fall in our path but also moving out of our comfort zones. Slowing down our pace is just a process of refuelling to bounce back with new energy. The technological front is providing those opportunities to bounce back with new energy. This is the generation of 5G and the whole world is gearing up for the new revolution. The change in the working environment due to the pandemic, the need for constant connectivity with the world has become an imperative essential from every individual to large companies. However, due to the lockdown and we do except slowdown in the inflow of the business in this year. Our team and associates have been proactively working and identifying the opportunities to keep up the business inflow. I am confident that the coming days will provide platform for the company to boost its capabilities, accelerate its growth and renew new energy. I, once again, thank each and every investor, shareholder, the dignitaries of the National Stock Exchange, 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 can achieve success together. ”

Thank you.
Warm regards,

Sd/-

Nallani Chakravarthi Venkata Rangacharya
Founder and Managing Director



Corporate Information

Board of Directors

Mr. Nallani Chakravarthi Venkata Rangacharya
Managing Director

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

Mrs. Nallani Chakravarthi Madhavi
Non Executive Director

Mr. Sripadarajan Nagarajan
Non Executive Director

Mr. Sai Sridhar Sangineni
Independent Director

Mr. Appalacharyulu Chilakamarri
Independent Director

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

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,
Fax: +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

Internal Auditors

M/s. A.V Ratnam & Co.
Chartered Accountants

Secretarial Auditors

M/s. RANJ & Associates
Company Secretaries

Bankers to the Company

Canara Bank
Hyderabad, India.

Company Background

Cadsys (India) Limited is a professionally managed multi-disciplinary organization undertaking 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. Over the years, Cadsys has successfully expanded its 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). Overtime, Cadsys has developed domain expertise in the fields of GIS, Photogrammetry, Engineering Services, Surveys and Customized Application Development. Through streamlined processes 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. The Company's 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.

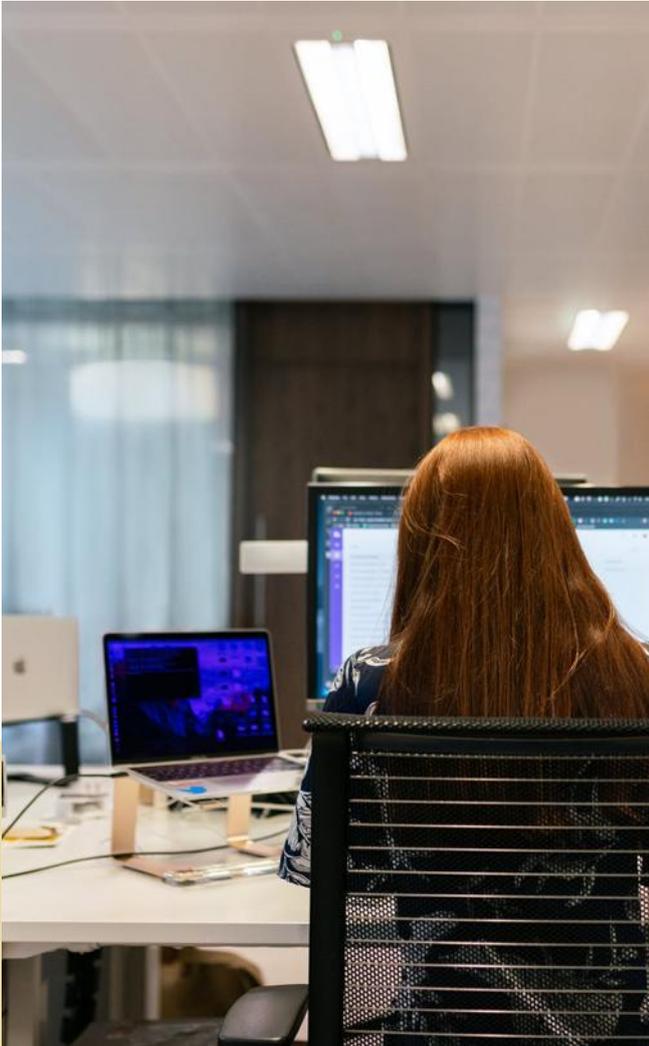
Services

GIS – Telecom, Asset Mapping



- ◆ 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.
- ◆ 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.
- ◆ In 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.
- ◆ Other GIS services include: Landbase conversion, Data Purification and reconciliation, Records conversion (CAD or image-based), work order posting, conflation services.

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



Infrastructure Engineering Services



- ◆ We provide design services through the flagship product “Super Pro” for CATV and telecom customers.
- ◆ We have also developed a comprehensive project management software “SpatialRPM” for managing projects or large program with unique spatial intelligence.
- ◆ The Company's Quality and Maintenance product “AQMS” aids Telecom organizations maintain an accurate and up-to-date database.
- ◆ The Company's 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 the customers.
- ◆ The Company's 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.

Company History and Timeline

Incorporated as a Engineering Design Company. Services involved - Design of Bridges for Railways to enable Gauge Conversion

1989

Started training division. Trained mostly Engineering students from Public Sector Units.

1991

Entered Joint Venture with a US Company & Started exports.

1995

Started Telecom GIS CIMAGE field data real time updation. OSP FM Field Data Cleanup.

2000

Recipient of "Entrepreneurship of India" by Entrepreneurship Development Institute of India, Ahmedabad, a Govt of India institute.

2004



Recipient of "Best Indian IT Enabled Services Company" award from HYSEA, Andhra Pradesh.

2005

Started High End Engineering Design KPO.

2006

Major Technology Overhaul

2010

Acquired a US company to establish large US presence and got listed in NSE SME Emerge in 2017.

2016

5G and small cell deployment

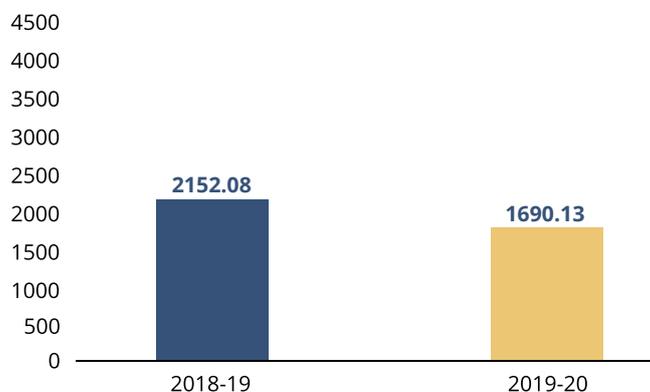
2020



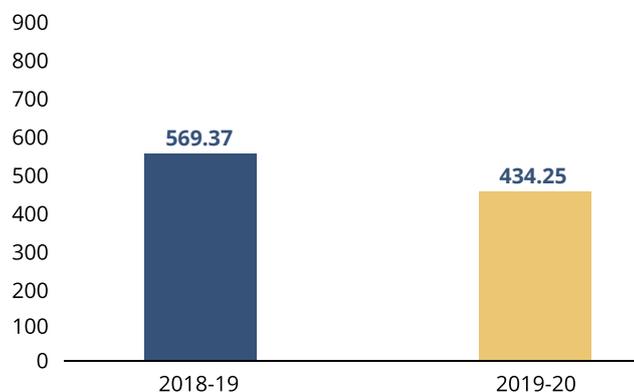
Financial Momentum

Standalone

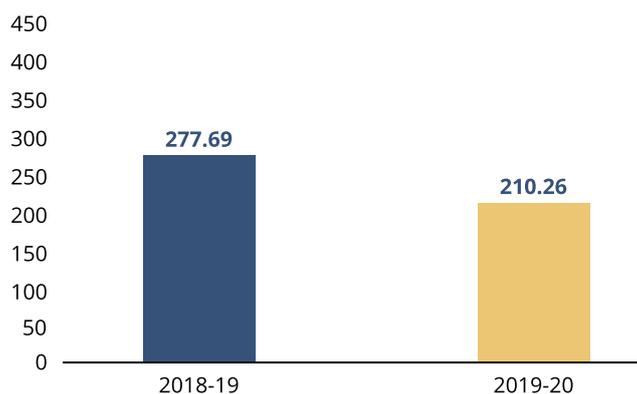
Total Income (Rs. In Lakhs)



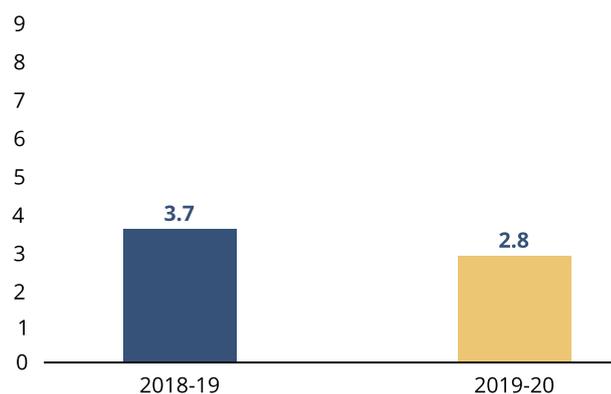
EBITDA (Rs. In Lakhs)



PAT (Rs. In Lakhs)



EPS Ratio



(Rs In Lakhs)

Statement of Profit & Loss

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Revenue	1,690.13	2,152.08	3,280.83	2,833.46	3,154.71	2,315.24
Total Expenses	1,539.93	1,748.17	2,805.21	2,439.23	2,336.36	1,613.29
EBITDA	434.25	569.37	762.21	770.65	1,008.65	842.26
Finance Cost	36.81	24.59	161.16	128.53	88.12	61.34
Depreciation	107.09	140.88	115.33	247.88	102.18	80.68
PBT	290.35	403.9	475.62	394.23	818.35	701.95
Tax Expenses	80.09	126.21	122.47	126.23	258.78	258.88
PAT	210.26	277.69	353.15	268	559.57	441.34

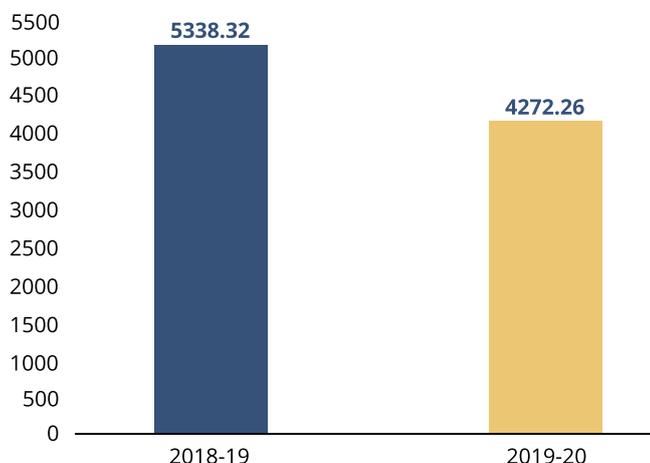
Accounting Ratios

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
EPS (in Rs)	2.8	3.7	5.47	4.96	51.79	40.85
RONW	5.17%	7.00%	9.35%	12.68%	30.33%	33.66%
NAV (in Rs)	54.16	52.86	50.37	39.11	170.74	121.36

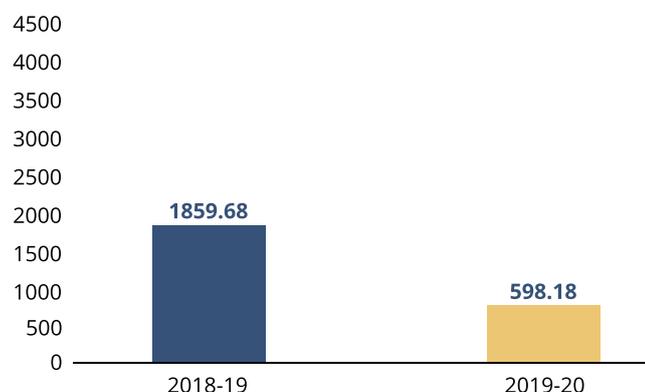
Financial Momentum

Consolidated

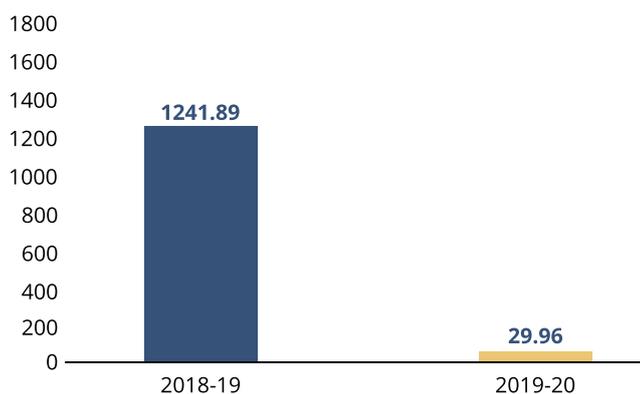
Total Income (Rs. In Lakhs)



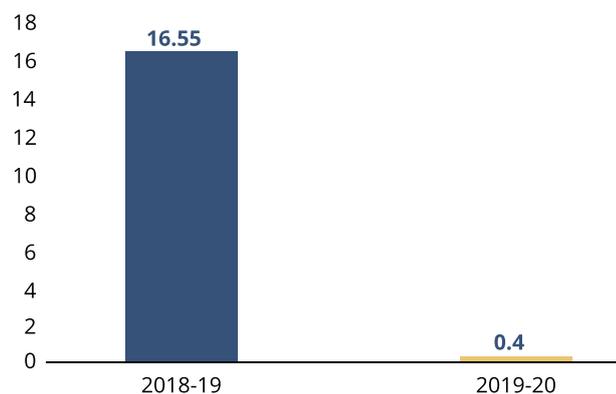
EBITDA (Rs. In Lakhs)



PAT (Rs. In Lakhs)



EPS Ratio



(Rs In Lakhs)

Statement of Profit & Loss

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Revenue	4272.26	5,338.32	4,554.88	4,363.60	3,199.32	2,440.95
Total Expenses	4383.61	3,826.13	3,667.77	3,146.76	2,388.96	1,710.89
EBITDA	598.18	1,859.68	1,467.96	1,691.68	1,008.85	882.43
Finance Cost	97.89	55.44	193.63	157.37	88.12	61.34
Depreciation	386.23	292.05	377.13	317.47	110.37	91.03
PBT	6.29	1,512.19	887.1	1,216.84	810.36	730.06
Tax Expenses	-22.22	274.03	152.47	119.88	258.78	260.6
PAT	29.96	1,241.89	739.76	1,094.79	551.74	468.4

Accounting Ratios

EPS (in Rs)	0.40	16.55	11.46	20.26	51.04	43.33
RONW	0.53	20.00%	14.92%	37.79%	30.57%	36.70%
NAV (in Rs)	75.24	82.78	66.1	53.63	167.03	118.14

2019-20 Highlights



“ The Company funded and supported JK Yog Foundation towards rebuilding activities taken-up in Orissa due to the damaged caused by "Fani" Cyclone. ”



“ Cadsys (India) Limited also funded those families who severely suffered due to the cyclone hit. ”



“ The Company has completed registration of the space office space in Uppal, Hyderabad. ”

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 a 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 March 19th, 2005.



Sripadarajan Nagarajan,

Non-Executive Director

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 April 30, 2012.



Sai Sridhar Sangineni,

Independent 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 April 1, 2017.



Appalacharyulu Chilakamarri,

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.



Management Discussion And Analysis

I) INDUSTRY DOMAIN STRUCTURE AND DEVELOPMENTS

We have noticed that businesses across the economies across the world have begun to resume their businesses. While the world is watching this resumption, there are radical changes in the minds of the people towards adapting a new lifestyle - popularly known as the "New Normal". The COVID-19 - the global pandemic has led to a new reliance on digital infrastructure and connectivity and highlighted the criticality for having a robust communication infrastructure. The global IT/ITeS sector started at negative growth of 5 to 10 percent in FY20-21, probably for the first time, due to the impact of the COVID-19 outbreak. This will in turn hurt Indian IT/ITeS industry as well, according to analysts.

Further, according to International Monetary Fund (IMF) in its reports stated that, the pandemic is expected to reduce global GDP by 3% in 2020 with far-reaching impact across sectors. Indian IT&ITeS industry, accounting for 8% of India's GDP, has also been impacted due to lockdown in key global as well as domestic markets. The global wireless infrastructure market size was valued at USD 69.44 billion in 2016 and is expected to register a CAGR of 5.7% over the forecast period due to rising traction of 4G, LTE, and 5G high-speed data connectivity network infrastructure capabilities. The projected growth of wireless networking technology and associated devices is also owing to ongoing trends of BYOD, WYOD, cloud computing, and Artificial Intelligence (AI) in telecom applications. With growing network and technology infrastructure among different industry verticals, demand for high-speed data transmission and connectivity has increased considerably.

Business overview - 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 activities are conducted by the onshore team. During the FY 2019-20, Cadsys bagged (indefinite delivery and indefinite quantity) contracts for 5G roll out. The company has also established a strategic partnership to scale up the business growth and build synergies across other states of USA. The company also set up regional support centers in many parts of the United States of America for better customer support - located at Georgia, California, Colorado, Florida, Tennessee and Virginia.

II) OPPORTUNITIES:

As we noticed that during the Pandemic, the global internet usage has grown by 70 percent. Further, the US telecom companies had announced at the beginning for the year 2020, to deploy 5G technology in the major cities across the country. Further, the government also announced funding and allocated budgets for building the infrastructure and implement the technology.

Further, any movement towards advanced technology involves creates new opportunities for skilled resources. Cadsys over the past years has built strong foundation by adapting to the technology and building innovative solutions that has opened new channels of opportunities in the 5G

and wireless business. Further, this pandemic gave the opportunity to ponder upon and analyze about new markets for business and it has shown what kind and how communication and connectivity are the crucial part to keep life moving.

- Identifying opportunities in the areas like wireless technology, small cell, network planning.
- Improved quality and value-added services
- Strategic partnership with Interprise
- Acquisition of building in Uppal, Hyderabad TG
- Added new customers and contracts in other parts of the USA
- Added 3 new offices in different states of USA

THREATS:

The major risks and threats to the Company for the current financial year remains the impact of the Pandemic on the growth and revenue of the company besides the hindrances caused to the ongoing production activities. However, in an attempt to mitigate the situation, the Company transitioned its operations to remote functioning and majority of the employees. Rapid growth of telecommunications sector and the enormous technological developments innovative implementation of the technology solutions will have its share of risks and threats involved on the competitive front. Our endeavor is to not just provide and execute the projects but simultaneously add value to our services with the help of extremely talented team. In consideration of the preceding below are few risks and threats we contemplate and examine upon from time to time.



- Increased Competition from Local & Global Players:
- Security impediments to data acquisition / dissemination: The work from home
- Government Changes to US immigration policy
- Risk with respect to Data and Cyber security
- Government policies with respect to immigration.
- Upskilling and reskilling of the workforce.

Year 2020 was the year for huge 5G rollouts and deployment of 5G was one of the critical priorities for the giant telecom companies. But the pandemic situation caused disruptions to this mega plan. Strict lockdown in major cities across USA and China (which disrupted the supply-chain), social distancing norms and travel restrictions slackened the project activities. Reports suggest that, here's been a dramatic slowdown with factory production in China that could slow the rate at which 5G equipment migrates to the U.S. and elsewhere. The global pandemic has forced a supply chain slowdown and it may delay further expansion of 5G. One of the major risks that this pandemic may have is the impact on the profitability due to deferred payments and pricing pressure.

III) 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.

In our next 5year plan, our Company aims to provide services for 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.

IV) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

To ensure effective maintenance of Quality and Administrative processes Our Company has adopted and implanted 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 2020-21.

With a strict “Zero Tolerance” policy in place, Cadsys thrives in implementation of excellent work environment surrounded by high values for professionalism, fairness and gender equality. We record a well-balanced women representation at all levels in the Company. We have set up a POSH committee to ensure safe and sound work environment.



V) DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Our Human resource team is 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). 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.

VI) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

From the Standalone Profit and Loss statement for 2019-2020, it is indicative that Revenue reduced from Rs.2,152 Lakhs to Rs. 1,690 Lakhs. This reduction due to our increased business operations on the onshore facility. However, the revenue indicated in the consolidated financials shows a reduction in the revenue from Rs. 5, 338 in 2018-19 to 4,272 in 2019-2020.

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 28th 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 2020, 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 Rs)

Particulars	Standalone		Consolidated	
	For the financial year 2019-20	For the financial year 2018-19	For the financial year 2019-20	For the financial year 2018-19
Total Revenue	1,690.13	2,152.08	4,272.26	5,338.32
Total Expenses	1,539.93	1,748.17	4,383.61	3,826.13
Finance Cost	36.81	24.59	97.89	55.44
Depreciation	107.09	140.88	386.23	292.05
Exceptional Items	(140.15)	0	(117.65)	0
Profit before Tax	290.34	403.90	6.29	1,512.19
Tax Expense	80.09	126.21	(22.22)	274.03
Profit after Tax	210.26	277.69	29.96	1,241.89
Earnings per share (Basic & Diluted)	2.80	3.70	0.40	16.55

FINANCIAL PERFORMANCE

Your Company has during the period under review showed a decline in terms of revenue due to the heightened restrictions on immigration and the lockdown caused due to Covid-19 pandemic, However, cadsys has implemented appropriate risk mitigation strategies to ensure business continuity. On a Consolidated basis, the revenue for the year under review was Rs. 4,272.26 Lakhs, decrease by 20% over the previous year's revenue of Rs. 5,338.32 Lakhs. The PAT attributable to the members was Rs. 29.96 Lakhs registering a decline of 97.59% over the PAT of Rs. 1,241.89 Lakhs for the previous year.

On the Standalone basis, the revenue for the year under review was Rs. 1,690.13 Lakhs against the previous year's revenue of Rs. 2,152.08 Lakhs. The PAT attributable to the members was Rs. 210.26 Lakhs against the PAT of Rs. 277.69 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 Rs. 1,551.25 Lakhs, representing 94.37% of the total revenue of Rs. 1,643.71 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 2020, the Company has not transferred any amount to Reserves.

DIVIDEND

With a view to conserve the resources in long run, your Board of Directors have not recommended any dividend for the Financial yearended 31st March 2020.

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. However, there is an unpaid and unclaimed dividend since last 2 financial years, the details of which can be accessed on Company's website i.e., <https://www.cadsystech.com/investor/>.

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 Rs. 10/- each. The Authorized Share Capital of your Company is Rs. 850 Lakhs comprising of Rs. 85 Lakhs Equity Shares of Rs. 10/- each.

Further, the issued, subscribed and the Paid-up Share Capital of your Company as on 31st March 2020 is Rs. 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, 2020:

S. 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.	Sripadarajan 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 2020:

I. Cessation and Appointment of Director/KMP:

During the year under review, there was no Change in the Composition of Board of Directors. However, as the term of Appointment of Shri. Nallani Chakravarthi Venkata Rangacharya as Managing Director and Smt. Nallani Chakravarthi Padmaja as Whole-Time Director are getting expired on 31st March 2020 the Board considered and recommended for re-appointment of Shri. Nallani Chakravarthi Venkata Rangacharya and Smt. Nallani Chakravarthi Padmaja as Managing Director and Whole-Time Director respectively for a period of further 5 years commencing from 1st April 2020 at the ensuing AGM for the approval of the members. The brief profile of the Directors is presented in this Annual Report.

II. Retire by Rotation:

In accordance with the provisions of the Companies Act, 2013, Shri. Sripadarajan Nagarajan, Director of the company retires by rotation at the ensuing AGM of the Company and being eligible, offers himself 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.

In the opinion of the Board, the Independent Directors possess their requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the Companies Act, 2013 ('the Act') as well as the Rules made thereunder and are independent of the management.

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, there was no change in the Composition of the Audit Committee. As such, the Composition of the members of the Committee are shown below:

Composition of Audit Committee:

S. No.	Name of the Director/KMP	Designation in the Committee
1.	Appalacharyulu Chilakamarri	Chairman
2.	Sai Sridhar Sangineni	Member
3.	Nallani Chakravarthi Venkata Rangacharya	Member
4.	Babladi Shailaja	Secretary

Details of Audit Committee Meetings:

The Audit Committee met 5 times during the year under review on 28th May 2019, 29th August 2019, 14th November 2019, 6th December 2019 and 26th March 2020. 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 Directors/KMP	Number wise meetings attendance					No. of Meetings Attended
		1	2	3	4	5	
1.	Nallani Chakravarthi Venkata Rangacharya	✓	✓	✓	✓	✓	5
2.	Appalacharyulu Chilakamarri	✓	✓	✓	✓	✓	5
3.	Sai Sridhar Sangineni	✓	x	x	x	✓	2
4.	Babladi Shailaja	✓	✓	✓	✓	✓	5

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.

During the year under review, there was no change in the Composition of the Nomination and Remuneration Committee. As such, the composition members of the Committee are 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
4.	Babladi Shailaja	Secretary

Details of Nomination and Remuneration Committee Meetings:

The Nomination and Remuneration Committee met 2 times during the year under review on 29th August 2019 and 26th March 2020. 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 Directors/KMP	Number wise meetings attendance		No. of Meetings Attended
		1	2	
1.	Nagarajan Sripadarajan	✓	✓	2
2.	Appalacharyulu Chilakamarri	✓	✓	2
3.	Sai Sridhar Sangineni	x	✓	1
4.	Babladi Shailaja	✓	✓	2

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) meets the criteria laid down under Section 135 of the Companies Act, 2013 and Rules made therein to formulate and recommend the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act. The Board recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy and the Board will be monitoring the CSR Policy from time to time.

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 26th March, 2020. 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	2	3	4	5	
1.	Nallani Chakravarthi Venkata Rangacharya	✓					1
2.	Nallani Chakravarthi Padmaja	✓					1
3.	Sai Sridhar Sangineni	✓					1
4.	Babladi Shailaja	✓					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 2019-20, the Board of Directors met 5 times on 28th May 2019, 29th August 2019, 14th November 2019, 6th December 2019 and 26th March 2020.

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

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 2020 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 2020, 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 (Rs. in Lakhs):

Particulars	Financial Year 2019-20	Financial Year 2018-19
Foreign Exchange Earnings	1,551.25	2,033.76
Foreign Exchange Outgo	5.25	38.05

CONSOLIDATED FINANCIAL STATEMENTS OF SUBSIDIARIES

As on 31st March 2020 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 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 and the Board for approval. The Board of Directors of the company, 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 at <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 Rs. 302.80 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 Rs. 2,495.63 Lakhs as at 31st March 2020. Further the Company has also invested additionally a sum of Rs. 0.27 Lakhs in Cadsys Technologies LLP, making the total contribution of a sum of Rs.1.15 Lakhs as at 31st March 2020. 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 2020.

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 at <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 except that the Company intended to purchase a land at Mangalgi, Andhra Pradesh, India to establish a facility in the IT Park and expand the business outsourcing jobs in its network designing and documentation domain. However, the Company has received a letter from APIIC dated 11th November 2019 cancelling the allotment of land at Mangalgi, Andhra Pradesh, India due to operational modifications in the onshore projects, resulting in the non fulfilment of the eligibility requirements to remain as an SEZ Company. Further, the Company has accepted the Cancellation letter and requested APIIC for a refund of the purchase amount.

Impact of Covid-19 Pandemic:

With reference to Advisory on disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020. Your company has provided disclosure to the Exchange dated 18th June 2020.

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 at <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 ensuing AGM i.e., 28th Annual General Meeting. Since the term of the existing Auditor comes to an end, the Board has recommended the appointment of M/s Darapaneni & Co., Chartered Accountants (Firm registration No. 000685S), as the statutory auditors of the Company in their place, for a term

of five consecutive years, from the conclusion of the ensuing Annual General Meeting of the Company till the conclusion of the 33rd Annual General Meeting to be held in the year 2025, for approval of shareholders of the Company, based on the recommendation of the Audit Committee.

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 2020. The Secretarial Auditor's Report for the year ended 31st March 2020 forms part of this report as "**ANNEXURE-VI**".

Explanation to Secretarial Auditor's Observations:

Auditor's Observation:

The Company had unspent CSR Amount as at the end of financial year and the Company is in the process of identifying appropriate areas (as specified in Schedule VII of Companies Act, 2013) for which the Company can utilize the CSR funds through its Mashtishk Support Group, Company's Registered Trust.

Explanation: The Company has outlined and formulated eligible activities for its CSR. During the financial year the Company contributed towards rescue, relief and rebuild operations for the victims Caused due to "Fani" cyclone. Further, the management is pursuing to partner with the organizations to fund organizations working environmental sustainability, education, healthcare and sanitisation. Hence, the amount unspent will be funded in the FY 2020-21 after due assessment by the management for those eligible projects (as specified in Schedule VII of Companies Act, 2013).

COST AUDIT:

In terms of Cost (Records and Audit) Amendment Rules, 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.

**For and on behalf of Board of Directors
CADSYS (INDIA) LIMITED**

sd/-

sd/-

**Date: 25th June 2020
Place: Hyderabad**

**N.C Padmaja
Whole Time Director
DIN: 01173673**

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

Annexure - I

Form No. MGT-9 - Extracts of Annual Return for the FY Ended on 31st March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(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, Himayathnagar, Hyderabad-500029, 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 Opp: Yashoda Hospital, Somajiguda, Raj Bhavan road Hyderabad-82, 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 shares held	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)

Sr. No.	Name And Address Of The Company	Country	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
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%	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp	--	--	--	--	--	--	--	--	--
e) Banks/ FI	--	--	--	--	--	--	--	--	--
f) Any Other (Directors Relative)	16,86,225	--	16,86,225	22.48%	16,86,225	--	16,86,225	22.48%	--
Sub-total(A) (1):-	35,77,100	--	35,77,100	47.68%	35,77,100	--	35,77,100	47.68%	--
2) Foreign									
g) NRIs- Individuals	--	--	--	--	--	--	--	--	--
h) Other- Individuals	--	--	--	--	--	--	--	--	--
i) Bodies Corp.	--	--	--	--	--	--	--	--	--
j) Banks / FI	--	--	--	--	--	--	--	--	--
k) Any Other	--	--	--	--	--	--	--	--	--
Sub-total(A) (2):-	--	--	--	--	--	--	--	--	--

Category of Shareholders	No. of Shares held at the beginning of the year No. of Shares held at the end 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	
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%	12,000	--	12,000	0.16%	(0.27)
Sub-total(B)(1)	32,000	--	32,000	0.43%	12,000	--	12,000	0.16%	(0.27)
2. Non - Institutions									
a) Bodies Corp.									
(i) Indian	1,77,395	--	1,77,395	2.36%	1,80,000	--	1,80,000	2.40%	0.04%
(ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	14,10,605	--	14,10,605	18.80%	13,28,000	--	13,28,000	17.70%	(1.10) %

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
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	22,29,400	--	22,29,400	29.72%	22,83,400	--	22,83,400	30.44%	0.72%
c) Others (Specify)	--	--	--	--	--	--	--	--	--
Clearing members	12,000	--	12,000	0.16%	42,000	--	42,000	0.56%	0.40%
NRI	64,000	--	64,000	0.85%	80,000	--	80,000	1.07%	0.22%
Sub-total(B)(2)	38,93,400	--	38,93,400	51.89%	39,13,400	--	39,13,400	52.16%	0.27%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	39,25,400	--	39,25,400	52.32%	39,25,400	--	39,25,400	52.32%	--
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	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of 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):

For Each Top 10 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%

M/s. Saffron Equity Advisors Private Limited

At the beginning of the year	--	--	--	--
Additions during the year	--	--	1,12,000	1.49%
At the End of the year	--	--	1,12,000	1.49%

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%

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%

M/s. Saffron Capital Advisors Private Limited

At the beginning of the year	--	--	--	--
Additions during the year	--	--	46,000	0.61%
At the End of the year	--	--	46,000	0.61%

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%

M/s. Pratik Abhay Kumar 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	13,16,600	17.55%	13,16,600	17.55%
Changes during the year	--	--	--	--
At the End of the year	13,16,600	17.55%	13,16,600	17.55%
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	97,94,076/-	--	--	97,94,076/-
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not	--	--	--	--
Total (i+ii+iii)	97,94,076/-	--	--	97,94,076/-

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
- Addition	--	--	--	--
- Reduction	(38,55,977/-)	--	--	(38,55,977/-)
Net Change	(38,55,977/-)	--	--	(38,55,977/-)
Indebtedness at the end of the financial year				
i) Principal Amount	59,38,099/-	--	--	59,38,099/-
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	59,38,099/-	--	--	59,38,099/-

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/Director Manager			Total Amount in Rs.
		N.C.V. Rangacharya (Managing Director)	N.C. Padmaja (Whole Time Director)	Others	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000/-	36,00,000/-	--	96,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary u/s17(3)Income- tax Act,	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission - as % of profit - others, specify...	--	--	--	--

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Director Manager			Total Amount in Rs.
		N.C.V. Rangacharya (Managing Director)	N.C. Padmaja (Whole Time Director)	Others	
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 the Directors		Total Amount
		Independent Directors		
		Sai Sridhar Sangineni	Appala Charyulu Chilakamarri	
	Independent Directors			
	·Fee for attending board committee meetings	10,000	25,000	35,000
	·Commission	--	--	--
	·Others, please specify	--	--	--
	Total(1)	10,000	25,000	35,000
		Non-Executive Directors		
		Nallani Chakravarthi Madhavi	Sripadarajan Nagarajan	
	Other Non-Executive Directors			
	·Fee for attending board committee meetings	25,000	25,000	50,000
	·Commission	--	--	--
	·Others, please specify	--	--	--
	Total(2)	25,000	25,000	50,000
	Total(B)=(1+2)	35,000	50,000	85,000
	Total Managerial Remuneration	--	--	--
	Overall Ceiling as per the Act	Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 prescribed sitting fees of Rs. 1 Lakh to be paid to each Director per meeting. The above sitting fees paid to Directors are within the prescribed limit.		

C) Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	B. Shailaja Company Secretary & Compliance Officer	CFO	Total Amount
1.	Gross salary		9,60,000/-	--	9,60,000/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission - as % of profit - others, specify	--	--	--	--
5.	Others, please specify	--	--	--	--
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	--	--	--	--
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/-

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

Sd/-

N.C. Padmaja
Whole Time Director
DIN: 01173673

Date: 25th June 2020
Place: Hyderabad

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 Rs)

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.	01/04/2019 to 31/03/2020	01/04/2019 to 31/03/2020	01/04/2019 to 31/03/2020
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR
5.	Share capital	1,00,000	48,06,054	25,18,47,244
6.	Reserves and surplus	(82,63,114)	(95,00,606)	17,04,99,787
7.	Total assets	37,42,690	32,93,753	62,04,85,311
8.	Total Liabilities	37,42,690	32,93,753	62,04,85,311
9.	Investments	-	17,17,649	-
10.	Turnover	-	-	40,88,66,893
11.	Profit/loss before taxation	(6,82,072)	(42,662)	(3,02,37,393)
12.	Provision for taxation	-	-	(1,09,40,197)
13.	Profit/loss after taxation	(8,74,484)	(44,037)	(1,92,97,196)
14.	Proposed Dividend	-	-	-
15.	Extent of shareholding (in percentage)	80.00%	97.56%	100%

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

- 1) Names of subsidiaries which are yet to commence operations - Nil
- 2) 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/-

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

N.C. Padmaja
Whole Time Director
DIN: 01173673

Date: 25th June 2020
Place: Hyderabad

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 2020 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 (Rs. In Lakhs)
1.	CS Babladi Shailaja	KMP	Receiving of Professional Services	Ongoing	--	9.60
2.	Apex Advanced Technology LLC USA	Wholly owned Subsidiary	Provision of Services	Ongoing	--	1,534.19

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: 25th June 2020
Place: Hyderabad

Annexure - IV

Particulars of Directors / Key Managerial Personnel Remuneration

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 Chilakamarri 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, Directors and the 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: 244 (Two Hundred & Forty-Four)

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/-

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

N.C. Padmaja
Whole Time Director
DIN: 01173673

Date: 25th June 2020
Place: Hyderabad

Annexure V

MASTISHK Cadys 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 address to the CSR policy and projects or programs.

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.

From the inception of the Company, Cadys supported several social programs relating to Skill development, environment conservation, health care, animal welfare, etc. In the year 2016, The Company formed 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. Mastishk, through its activities, educates and counsels people with epilepsy to understand and build awareness about the different treatment options. 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, help individuals with epilepsy and their families to manage and cope with the impact on their lives, sensitizing and counseling the family members. The group in the Financial year not only worked closely with Epilepsy patients but also worked on other projects such as Women empowerment, Health and sanitation, Animal Welfare. They have supported skill development organisations where women are taught basic computer skills such as Typing, MS word, etc.

3. Web address to the CSR policy: <http://www.mastishk.org>

4. The Composition of the CSR Committee:

Sl. 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. Details of Amounts spent/unsent are as under:

Sl. No.	Particulars	Status
1.	Total amount to be spent as on 31 st March 2020.	Provision has been made for approx. Rs. 33.93 Lakhs.
2.	Amount spent, if any;	Rs. 26.84 Lakhs
3.	Amount unspent, if any;	Rs. 7.09 Lakhs
4.	Manner in which the amount spent during the financial year is detailed below	JK Yog – funded the victims of Cyclone Fani, Bhuvaneshwar, Orissa. Supported relief efforts, funded for rebuilding of the homes and provided health care, clean water.

6. Reason for unspent Amount of CSR is:

The Company has outlined and formulated eligible activities for its CSR. During the financial year the Company contributed towards rescue, relief and rebuild operations for the victims effected due to “Fani” cyclone. Further, the management is pursuing to partner with the organizations to fund organizations working environmental sustainability, education, healthcare and sanitisation. Hence, the amount unspent will be funded in the FY 2020-21 after due assessment by the management for those eligible projects, as specified in Schedule VII of Companies Act, 2013.

7. 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/-

Date: 25th June 2020
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 2020

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

To,
The Members of
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 2020 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 2020 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; and **(Not applicable to the Company during the Audit period)**
 - 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 applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India i.e. Secretarial Standards - 1 for Board Meetings and Secretarial Standards - 2 for General Meetings.
- ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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 unspent CSR Amount as at the end of financial year and the Company is in the process of identifying appropriate areas (as specified in Schedule VII of Companies Act, 2013) for which the Company can utilize the CSR funds 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) The Company intended to purchase a land at Mangalgiri, Andhra Pradesh to establish a facility in the IT Park, Mangalgiri, Andhra Pradesh and expand the business outsourcing jobs in its network designing and documentation domain. However, the Company has received a letter from APIIC dated 11th September 2019 cancelling the allotment of land at Mangalgiri, Andhra Pradesh due to the operation modifications resulting in the onshore implementation of projects and the eligibility requirements to remain as an SEZ Company not being fulfilled. Further the Company has accepted the Cancellation letter at the meeting of the Board of directors dated 06th December 2019. The necessary disclosures for the same was submitted with the NSE Emerge. 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
UDIN: A026668B000621231**

**Date: 25th June 2020
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

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

Date: 25th June 2020
Place: Hyderabad

Sd/-
CS Nitesh Kumar Agarwal
Partner
M.No.26668: CP No. 9727
UDIN: A026668B000621231

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 2020 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: 25th June 2020
Place: Hyderabad

Nallani Chakravarthi Padmaja
Whole-Time Director cum Chief Finance Officer

Independent Auditor's Report

To the Members of Cadsys (India) Limited

Report on 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, 2020, 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 2020, 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 Matters 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.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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 2020 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2020 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: 05905S**

Sd/-

**G.V.Ramana
Partner
Membership No.:025995
UDIN: 20025995AAAAGH1266**

**Date: 25th June 2020
Place: Hyderabad**

Annexure -A

To The Audit Report- Cadsys (India) Limited

(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 2020 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: 05905S**

Sd/-

**Date: 25th June 2020
Place: Hyderabad**

**G.V.Ramana
Partner
Membership No.:025995
UDIN: 20025995AAAAGH1266**

Annexure -B

To The Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **M/S CADSYS (INDIA) LIMITED** (“the Company”) as of 31st March 2020, 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.

Auditor’s 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 of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements 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 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 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 controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, 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: 05905S

Sd/-

Date: 25th June 2020
Place: Hyderabad

G.V.Ramana
Partner
Membership No.:025995
UDIN: 20025995AAAAGH1266

Standalone Balance Sheet

for the year ended 31st March 2020

Particulars	Note No.	As at 31 st March 2020	As at 31 st March 2019
		Rs.	Rs.
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	7,50,25,000	7,50,25,000
(b) Reserves and surplus	3	33,13,20,923	32,15,82,114
2. Non-current liabilities			
(a) Long-term Borrowings	4	-	19,59,332
(c) Other Long-term Liabilities	5	-	-
(d) Long-term provisions	6	84,05,099	74,56,659
3. Current liabilities			
(a) Short-term Borrowings	7	59,38,099	78,34,744
(b) Trade payables			
i) Total outstanding dues to micro enterprises and small enterprises	8	10,418	2,54,119
ii) Total outstanding dues to creditors other than micro enterprises and small enterprises	8	5,29,037	7,10,708
(c) Other current liabilities	9	1,70,99,496	2,33,43,107
(d) Short-term provisions	10	10,00,347	11,58,163
TOTAL		43,93,28,419	43,93,23,946
B. ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	11	1,49,50,470	5,70,96,313
(b) Non Current Investments	12	25,45,36,531	23,50,10,178
(c) Deferred Tax Asset (Net)	13	75,89,879	72,42,154
(d) Long-term loans and advances	14	32,77,659	53,90,222
2. Current assets			
(a) Trade receivables	15	7,66,32,608	86,97,227
(b) Cash and cash equivalents	16	2,85,20,684	9,34,68,086
(c) Short-term loans and advances	17	1,63,47,796	1,34,70,296
(d) Other current assets	18	3,74,72,792	1,89,49,469
TOTAL		43,93,28,419	43,93,23,946

Significant Accounting policies 1
Notes on Financial Statements 2 to 35

As per our report of even date for
NARVEN ASSOCIATES
Chartered Accountants
Firm Registration Number: 005905S

Sd/-

G.V. Ramana
Partner
Membership No. 025995

Date: 25th June 2020
Place: Hyderabad

For and on behalf of the Board of Directors

Sd/-

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

Sd/-

B. Shailaja
Company Secretary
& Compliance Officer
PAN: ARXPB4192L

Sd/-

S. Nagarajan
Director
DIN: 05262644

Sd/-

N.C. Padmaja
Chief Financial Officer
DIN: 01173673

Standalone Statement of Profit & Loss

for the year ended 31st March 2020

Particulars		Note No.	As at 31 st March, 2020	As at 31 st March, 2019
			Rs.	Rs.
I	Revenue from operations	19	16,43,70,915	20,81,39,380
II	Other income	20	46,41,747	70,68,285
III	Total Revenue		16,90,12,662	21,52,07,665
IV	Expenses			
	Employee Benefit Expense	21	10,32,71,124	11,68,64,496
	Other Operating Expenses	22	3,27,71,318	3,91,26,021
	General Expenses	23	35,60,151	22,79,831
	Financial costs	24	36,81,395	24,59,440
	Depreciation and amortisation expense	11	1,07,09,192	1,40,87,622
	Total Expenses		15,39,93,180	17,48,17,410
V	Profit / (Loss) before Exceptional and Extraordinary items and tax (III-IV)		1,50,19,482	4,03,90,255
VI	Exceptional items		(1,40,15,188)	-
VII	Profit / (Loss) before extraordinary items and tax (V - VI)		2,90,34,670	4,03,90,255
VIII	Extraordinary items		-	-
IX	Profit / (Loss) before tax (VII- VIII)		2,90,34,670	4,03,90,255
X	Tax expense:			
	(a) Current tax Expense		88,69,719	1,42,90,619
	(b) Deferred tax Expense / (Income)		(3,47,726)	(31,27,507)
	(c) Earlier Year Taxes		(5,13,423)	14,57,735
	Profit / (Loss) for the Period		2,10,26,100	2,77,69,408
	Earning Per Share			
	(i) Basic & Diluted EPS		2.80	3.70
	(ii) Adjusted Basic EPS		-	-

Notes on Financial Statements 2 to 35

As per our report of even date for
NARVEN ASSOCIATES
Chartered Accountants
Firm Registration Number: 005905S

Sd/-

G.V. Ramana
Partner
Membership No. 025995

Date: 25th June 2020
Place: Hyderabad

For and on behalf of the Board of Directors

Sd/-

Sd/-

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

S. Nagarajan
Director
DIN: 05262644

Sd/-

Sd/-

B. Shailaja
Company Secretary
& Compliance Officer
PAN: ARXPB4192L

N.C. Padmaja
Chief Financial Officer
DIN: 01173673

Standalone Cash Flow Statement

for the year ended 31st March 2020

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax as per Statement of Profit and Loss	2,90,34,670	4,03,90,255
Adjustments For :		
Depreciation and Amortisation Expense	1,07,09,192	1,40,87,622
Finance Costs	36,81,395	24,59,440
Interest Income	(33,34,288)	(46,17,586)
Dividend Income	-	(7,56,356)
	1,10,56,299	1,11,73,120
Operating Profit before Working Capital Changes	4,00,90,969	5,15,63,375
Adjustments for Changes in Working Capital :		
Adjustments for (Increase) / Decrease in operating assets		
Long-term loans and advances	21,12,563	59,21,618
Trade Receivables	(6,79,35,381)	3,62,49,044
Short Term Loans & Advances	(28,77,500)	(31,24,139)
Other Current Assets	(1,85,23,323)	(92,20,014)
Adjustments for Increase / (Decrease) in operating liabilities		
Long Term Provisions	9,48,440	22,24,190
Short Term Provisions	(1,57,816)	4,62,155
Trade Payables	(4,25,372)	(11,68,240)
Other Current Liabilities	(62,43,611)	23,58,365
	(9,31,02,000)	3,37,02,978
Cash from Operations	(5,30,11,031)	8,52,66,353
Income Tax Paid	(83,56,295)	(1,57,48,353)
Net Cash Generated from Operating Activities (A)	(6,13,67,326)	6,95,18,000
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Purchase of Fixed Assets	(53,27,153)	(65,78,920)
Mutual Funds	(1,07,80,847)	25,56,356
Payments for Non Current Investments	(87,45,506)	(3,53,07,448)
Interest Income	33,34,288	46,17,586
Sale of Assets	3,67,63,804	-
Net Cash Used in Investing Activities (B)	1,52,44,586	(3,47,12,426)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Short Term Borrowings	(18,96,645)	(11,76,883)
Repayment of Long Term Borrowings	(19,59,332)	(2,09,353)

Standalone Cash Flow Statement

for the year ended 31st March 2020

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Dividend Income	-	7,56,356
Finance Costs Paid	(36,81,395)	(24,59,440)
Dividend and Dividend Distribution Tax Paid	(1,12,87,291)	(90,30,009)
Net Cash Generated from Financing Activities (C)	(1,88,24,663)	(1,21,19,329)
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(6,49,47,404)	2,26,86,245
Add: Cash & Cash Equivalents As at 31 st March 2019	9,34,68,086	7,07,81,839
Cash & Cash Equivalents As at 31st March 2020	2,85,20,682	9,34,68,084

As per our report of even date for
NARVEN ASSOCIATES
 Chartered Accountants
 Firm Registration Number: 005905S

Sd/-

G.V. Ramana
 Partner
 Membership No. 025995

Date: 25th June 2020
 Place: Hyderabad

For and on behalf of the Board of Directors

Sd/-

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

Sd/-

B. Shailaja
 Company Secretary
 & Compliance Officer
 PAN: ARXPB4192L

Sd/-

S. Nagarajan
 Director
 DIN: 05262644

Sd/-

N.C. Padmaja
 Chief Financial Officer
 DIN: 01173673

Significant Accounting Policies

Note 1 :

SIGNIFICANT ACCOUNTING POLICES:

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

A) Preparation and presentation of Financial Statements:

a) BASIS OF PREPARATION:

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

b) USE OF ESTIMATES:

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

B) Fixed Assets:

- a) Fixed assets are stated at the original cost of acquisition less depreciation. Original cost includes purchase price, levies, and directly attributable cost of bringing the assets to its working condition for its intended use. As also the capitalized portion of preoperative expenses.
- b) Depreciation on the Fixed Assets of the company is provided on Straight Line Method based on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013. The Range of Estimated useful lives of items of Fixed assets are as follows:

Asset	Useful Life
Office Equipment	5
Software	01-03

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

C) Revenue Recognition:

- a) Revenue from software development on the time-and-material basis is recognized based on Software developed and billed to clients as per the terms of specific contracts.
- b) Interest Income on deposits is recognized using the time-

proportion method, based on interest rates implicit in the transaction.

- c) 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.
- d) Sub-lease rental income on immovable properties is recognized on accrual basis as per the respective agreements with the parties.
- e) 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:

- a) **Provident Fund:** In respect of Provident Fund contribution, the employee and the employer make monthly contribution to the provident fund equal to 12% of the covered employee's salary, the company has no further obligations under the provident fund plan beyond its monthly contribution.
- b) **Gratuity:** Provision has been made for payment of premium to Life Insurance Corporation of India under its Group Gratuity Scheme on the basis of actuarial valuation done by them.
- c) **Leave Encashment:** The Company is providing leave salary to the employees on unexpired leaves balances as on the 31st March 2020.

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.

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.

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.

Notes to Standalone Financial Statements

for the year ended 31st March 2020

Note No. 2 Share capital

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	Rs.		Rs.	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised Capital				
85,00,000 Number of Equity shares of INR 10 each	85,00,000	8,50,00,000	8,50,00,000	8,50,00,000
(b) Issued, Subscribed and Fully paid up:				
Equity shares of INR 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	Rs.		Rs.	
	Number of shares	% Held	Number of shares	% Held
Rangacharya NCV	18,90,875	25.20	18,90,875	25.20
B.Shailaja	15,02,400	20.03	15,02,400	20.03
Padmaja N.C	13,16,600	17.55	13,16,600	17.55
Total	47,09,875	62.78	47,09,875	62.78

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

Particulars	Rs.		Rs.	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
Equity Shares at the beginning of the year	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

Note No. 3 Reserves and surplus

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	Rs.		Rs.	
(a) Security Premium Account		-		-
Opening balance		11,73,52,577		11,73,52,577
Add: Additions during the year		-		-

Notes to Standalone Financial Statements

for the year ended 31st March 2020

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Less: Shares Issue Expense	-	-
Closing balance (A)	11,73,52,577	11,73,52,577
(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	18,64,49,537	16,77,10,138
Add: Profit / (Loss) for the year	2,10,26,100	2,77,69,408
Less: Transferred to Share Capital against fully paid Bonus Shares	-	-
Less: Transferred to Share Capital against fully paid Bonus Shares	-	-
Add: Adjustment of Electrical Equipment as per F A Statement	-	-
Less: CSR Provision made during the Year	-	-
Less: Dividend Paid	(93,78,125)	(75,02,500)
Less: Dividend Distribution Tax and interest thereon	(19,09,166)	(15,27,509)
Less: Transfer to General Reserve	-	-
Closing balance (C)	19,61,88,346	18,64,49,537
Total(A+B+C)	33,13,20,923	32,15,82,114

Note No. 4 Long Term Borrowings

Particulars	As at 31 st March 2020	As at 31 st March 2019
Term Loans		
Secured		
From Banks	-	-
Vehicle Loan -Daimler Financial Services India Ltd	-	19,59,332
Unsecured	-	-
Total	-	19,59,332

Notes to Standalone Financial Statements

for the year ended 31st March 2020

Note No. 5 Other Long -term Liabilities

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Advance from Customers		
	-	-
Total	-	-

Note No. 6 Long -term Provisions

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Provision for Employee retirement benefits		
Provision for Gratuity	84,05,099	74,56,659
Total	84,05,099	74,56,659

Note No. 7 Short Term Borrowings

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Loans Repayable on Demand		
From Banks		
Secured		
Over Draft from Canara Bank*	59,38,099	78,34,744
Total	59,38,099	78,34,744

Of the above

* Over Draft limit of Rs. 700 lacs Secured by way of Hypothecation of Equipment and floating charge on movable assets, book debts and personal guarantee given by the Managing Director, and Executive Director and Director of the Company & 'Collateral Security of Residential Plots admeasuring 2000 Sq Yds situated at Thimmayapalli, Keesara Mandal R.R.Dist, and Open Plots admeasuring 5230 Sq.Yds situated at Ghanpur Village, Toopran Mandal, Medak District and open plot No.11 admeasuring 773 Sq Yds and Open Plots admeasuring 7465 Sq Yds at Ghanpur Village, Toopran Mandal, Medak Dist. and open Plots admeasuring 2311 Sq Yds situated at Yawapoor Village, Toopran Mandal, Medak District.

Notes to Standalone Financial Statements

for the year ended 31st Marct 2020

Note No. 8 Trade payables

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Dues to Micro, Small and Medium Micro Enterprises	-	-
Trade Payables		
i) Total outstanding dues to micro enterprises and small enterprises	10,418	2,54,119
ii) Total outstanding dues to creditors other than micro enterprises and small enterprises	5,29,037	7,10,708
Total	5,39,455	9,64,827

Note No. 9 Other current liabilities

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Current Maturities of Long Term Debt	19,06,028	4,00,421
Current Maturities of Finance Lease Obligations	-	4,51,593
Employee Benefits Payable		
Salaries Payable	65,27,690	81,14,196
Director Remuneration Payable	6,06,954	6,11,655
Bonus Payable	31,83,840	29,87,427
Earned Leaves Payable	10,03,817	24,28,278
Provident Fund Payable	6,47,376	6,09,053
Other Payables	13,23,672	14,96,519
Employee Recreation Fund	-	3,58,002
ESI Payable	73,586	1,38,097
CSR Payable - FY-2017-18	-	12,76,352
CSR Payable - FY-2018-19	-	11,17,584
CSR Payable - FY-2019-20	-	-
Statutory Liabilities Payable		
TDS Payable	5,98,835	5,38,453
Professional Tax Payable	31,250	60,200
Other Payables		
Electricity Charges Payable	2,29,137	4,03,569
Rent Payable	4,68,389	4,46,084
Audit Fee Payable	3,60,000	3,60,000

Notes to Standalone Financial Statements

for the year ended 31st March 2020

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Expenses Payable	6,947	13,067
Telephone Charges Payable	713	12,557
Maintenance Charges Payable	23,262	-
Secretarial Audit Fee Payable	1,08,000	-
Advance from Customers		
other liabilities	-	15,20,000
Total	1,70,99,496	2,33,43,107

Note No. 10 Short-term provisions

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Provision for Income Tax (Net of TDS & Advance tax)	10,00,347	11,58,163
Total	10,00,347	11,58,163

Notes to Standalone Financial Statements

for the year ended 31st March 2020

Note No.11 Property, Plant and Equipment

Sr. No	Description	GROSS BLOCK				DEPRECIATION					NET BLOCK			Useful Life in Yrs
		"As at 01-04-2019"	"Additions during the year"	"Deletions during the year"	"As on 31-03-2020"	Up to 01.04.2018	"Deletions during the year"	1st Half Year (As on 30.09.2019)	2nd Half Year (As on 31.03.2020)	Total	"As on 31-03-2020"	"As on 31-03-2020"	"As on 31-03-2019"	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
	Tangible Fixed Assets													
1	Furniture & Fittings	1,62,86,762	-	-	1,62,86,762	1,43,07,741	4,48,391	2,57,342	-	-	1,50,13,474	12,73,288	19,79,021	10
2	Computer	7,64,13,592	-	-	7,64,13,592	7,63,04,681	74,546	21,951	-	-	7,64,01,178	12,414	1,08,911	3
3	Servers	40,83,654	-	-	40,83,654	36,95,999	1,79,996	1,10,100	-	-	39,86,095	97,559	3,87,655	6
4	Electrical Equipments	50,29,488	-	-	50,29,488	48,66,002	17,510	17,510	-	-	49,01,022	1,28,466	1,63,486	10
5	Office Equipment	63,57,191	-	-	63,57,191	57,01,915	1,67,458	1,58,653	-	-	60,28,026	3,29,165	6,55,276	5
6	Vehicle	62,96,477	-	-	62,96,477	33,16,426	3,93,530	3,93,530	-	-	41,03,486	21,92,991	29,80,051	8
7	Air conditioner	25,38,668	-	-	25,38,668	21,34,688	39,643	39,643	-	-	22,13,974	3,24,694	4,03,980	10
8	Generator	33,94,362	-	-	33,94,362	26,55,771	84,315	84,315	-	-	28,24,401	5,69,961	7,38,591	10
9	U.P.S	39,43,590	-	-	39,43,590	35,68,184	1,35,686	1,35,187	-	-	38,39,057	1,04,533	3,75,406	5
10	Communication Equipment	48,98,085	-	-	48,98,085	46,98,114	64,682	63,854	-	-	48,26,650	71,435	1,99,971	5
11	Land	4,00,27,051	-	3,93,07,051	7,20,000	-	-	-	-	-	-	7,20,000	4,00,27,051	-
	Total	16,92,68,920	-	3,93,07,051	12,99,61,869	12,12,49,521	16,05,757	12,82,085	-	-	12,41,37,363	58,24,506	4,80,19,399	
	Intangible Property, Plant and Equipment													
13	Software	3,89,90,932	4,36,900	-	3,94,27,832	2,99,14,018	72,76,337	5,45,013	-	-	3,77,35,368	16,92,464	90,76,914	1 & 3
14	Capital-work in progress Product development under progress	-	74,33,500	-	74,33,500	-	-	-	-	-	-	74,33,500	-	
	Total	3,89,90,932	78,70,400	-	4,68,61,332	2,99,14,018	72,76,337	5,45,013	-	-	3,77,35,368	91,25,964	90,76,914	
	Grand Total	20,82,59,852	78,70,400	-	17,68,23,201	15,11,63,539	88,82,094	18,27,098	-	-	16,18,72,731	1,49,50,470	5,70,96,313	

Notes to Standalone Financial Statements

for the year ended 31st March 2020

Note No. 12 Non Current Investments

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
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 Shtares-Apex Engineers (India) Pvt Ltd	80,000	80,000
c) Apex Advanced Technology LLC, USA	24,95,63,496	21,92,83,296
d) Investment in Cadsys Technologies LLP	1,15,200	88,200
2. Investment in Mutual Funds		
Canara Bank Robeco Mutual Fund (SIP)	14,16,576	1,21,97,423
Total	25,45,36,531	23,50,10,178

Note No. 13 Deferred Tax Assets

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Deferred tax assets		
Related to fixed assets	44,20,534	36,61,061
Disallowances under the Income tax act' 1961	31,69,345	35,81,092
Deferred tax assets(Net)	75,89,879	72,42,153

Note No. 14 Long-term loans and advances

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
(a) Capital advances		
Unsecured, considered good	-	-
(b) Security deposits		
Rent Deposits	14,50,000	33,47,992
Electricity Deposits	12,59,021	12,59,021
Other Deposits	5,68,638	7,44,524
(c) Balances with government authorities		
Unsecured, considered good	-	-
(d) Other loans and advances		
Unsecured Considered Good	-	-
APIIC Limited	-	38,685
Total	32,77,659	53,90,222

Notes to Standalone Financial Statements

for the year ended 31st March 2020

Note No. 15 Trade receivables

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Trade receivables		
Unsecured, considered good	-	-
More than six months	2,55,22,447	23,55,870
Others	5,11,10,161	63,41,357
Total	7,66,32,608	86,97,227

Note No. 16 Cash and cash equivalents

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
(a) Cash on hand	35,034	1,01,511
(b) Balances with banks		
(i) In current accounts	47,30,042	10,93,933
(ii) In EEFC accounts	-	1,32,09,213
(iii) In Fixed deposit accounts (period of maturity within one year)	2,37,55,608	7,90,63,429
Total	2,85,20,684	9,34,68,086

Note No. 17 Short-term loans and advances

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
(a) Loans and advances to employees	80,313	189,931
(b) Others		
Other Advances	11,86,419	-
Input GST	1,39,39,529	1,14,85,649
TDS & Refund receivables	11,41,535	17,94,716
Total	1,63,47,796	1,34,70,296

Note No. 18 Other current assets

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Unbilled Receivables	64,49,232	49,49,232
Interest Accrued On Fixed Deposits	8,60,589	24,76,228
Advance against Capital Asset	2,06,90,996	-
Prepaid Expenses	12,60,786	72,95,842
Other Receivables	82,11,190	42,28,171
Total	3,74,72,792	1,89,49,473

Notes to Standalone Financial Statements

for the year ended 31st March 2020

Note No. 19 Revenue from Operations

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Revenue from operations		
Domestic Revenue	58,95,650	28,50,098
Export Income	15,51,24,659	20,33,75,905
Gain on Foreign Exchange Fluctuation	33,50,606	19,13,377
Total	16,43,70,915	20,81,39,380

Note No. 20 Other Income

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Interest Income	33,34,288	46,17,586
Dividend from Mutual Funds	5,41,347	7,56,356
Miscellaneous income	7,66,111	5,72,510
Prior Period Income	-	11,21,833
Total	46,41,747	70,68,285

Note No. 21 Employee Benefit Expense

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Salaries and wages, Bonus etc	8,43,89,922	9,70,79,943
Remuneration to Directors	96,00,000	96,00,000
Contributions to provident and other funds	53,46,787	55,33,574
Staff welfare expenses	11,39,753	12,30,601
Gratuity	27,94,662	34,20,378
Total	10,32,71,124	11,68,64,496

Note No. 22 Other Operating Expenses

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
CSR Expenses	-	11,17,584
Travelling and Conveyance	4,67,932	6,02,553
Internet Charges	19,34,999	19,01,963
Job work charges	-	4,54,000
Prior Period Expenses	-	63,193
Bad debts written off	1,99,413	5,02,850

Notes to Standalone Financial Statements

for the year ended 31st March 2020

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Directors Sitting Fee	85,000	80,000
Rates & Taxes	3,77,570	5,47,094
Rent	54,95,338	65,48,013
Bank charges	7,58,174	3,15,280
Professional & Consultancy Charges	78,14,741	72,58,964
Postage & Courier Charges	35,040	28,934
Electricity Charges	44,23,322	46,19,188
Insurance	52,70,399	56,37,746
Printing & Stationery	1,82,038	98,541
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	8,35,069	12,07,834
Security Charges	6,24,000	7,76,500
Subscription & Other Charges	15,14,133	9,66,570
STPI Charges	2,25,000	2,25,000
Telephone Charges	1,13,397	1,38,876
Interest On TDS	6,780	-
Penalties & Interest paid on statutory payments	-	8,00,595
Computer Consumables	14,83,892	10,29,732
Foreign Travel Expenses		
Travel expenses-Directors	-	2,24,094
Travel expenses-Employees	5,25,081	35,80,917
Total	3,27,71,318	3,91,26,021

Notes to Standalone Financial Statements

for the year ended 31st March 2020

Note No. 23 General Expenses

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Books & Periodicals	15,698	13,504
Domain Charges	2,61,500	1,45,139
Donations	1,54,455	65,212
Office Expenses	14,82,145	5,33,956
Office Maintenance	16,46,353	14,60,740
Advertisement Expenses	-	61,280
Total	35,60,151	22,79,831

Note No. 24 Financial costs

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Interest expense on:		
- Interest on Finance Lease Loans	-	760
- Interest On Term Loan & Working Capital Loans	14,72,104	18,59,351
- Interest on Bill discounting	7,09,184	41,393
- Interest on Packing Credit	6,63,811	-
- Interest on Vehicle Loan	2,39,227	2,80,667
- Interest on Loan-Against F.D's	5,97,069	2,77,269
Total	36,81,395	24,59,440

Note No. 25 Capital Commitments and Contingent Liabilities not provided for in respect of:

(i) Estimated amount of unexecuted capital contracts:

(Amount in Rs.)

Sr.No	Particulars	2019-20	2018-19
1.	Unexecuted Capital Contracts	Nil	Nil

(ii) Contingent liabilities:

(Amount in Rs.)

Sr.No	Particulars	2019-20	2018-19
1.	Outstanding Corporate Guarantees	Nil	2,13,141

Notes to Standalone Financial Statements

for the year ended 31st March 2020

Note No. 26 Adjusted Earnings per share:

(Amount in Rs.)

Particulars	2019-20	2018-19
Net Profit for the Year	2,10,26,100	2,77,69,408
Amount Available for Equity Share holders	2,10,26,100	2,77,69,408
Weighted Average no. of Equity shares	75,02,500	75,02,500
Adjusted and Basic Earnings per Equity Share	2.80	3.70
Face Value of Share	10	10

Note No. 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 2020, below mentioned statutory contributions.

(Amount in Rs.)

Description	2019-20	2018-19
Provident Fund	38,91,382	36,31,540
E.S.I	8,54,305	11,94,333
Total	47,45,687	48,25,873

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

Results of Valuation	2019-20	2018-19
	Amount Rs	Amount Rs
PV of Past Service Benefit	1,14,49,143	1,07,54,820
Current Service Cost	15,49,510	14,77,248
Total Service Gratuity	6,35,71,500	6,04,66,650
Accrued Gratuity	1,37,24,275	1,31,51,238
LCSA	4,98,47,225	4,73,15,412
LC Premium	78,145	75,312
Service Tax & GST	14,066	13,556
Fund Value as on Renewal Date	39,79,811	44,65,090
Additional Contribution for existing fund	76,26,174	66,15,232
Current Service Cost	13,92,668	11,51,746
Total Amount Payable	91,11,053	78,55,846
Actuarial Assumptions		
Mortality Rate	LIC (2006-08) ultimate	LIC (2006-08) ultimate

Notes to Standalone Financial Statements

for the year ended 31st March 2020

Results of Valuation	2019-20	2018-19
	Amount Rs	Amount Rs
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age
Discount rate	7.25% p.a	7.5% p.a
Salary Escalation	6%	6%

Note No. 28 Foreign exchange inflow and outflow:

a) Value of Foreign Currency Inflow:

(Amount in Rs.)

Particulars	2019-20	2018-19
Software Development	15,51,24,659	20,33,75,905
Total	15,51,24,659	20,33,75,905

a) Foreign Currency Inflow:

(Amount in Rs.)

Particulars	2019-20	2018-19
Travelling Expenses		
Travel expenses-Directors	-	2,24,094
Travel expenses-Employees	5,25,081	35,80,917
Total	5,25,081	38,05,011

Note No. 29 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 and C. Madhavi
N.C.Padmaja	Whole-time Director and CFO & Sister of N.C.V. Rangacharya & C. Madhavi
C.Madhavi	Director, sister of Managing director and Whole-Time director
S.Nagarajan	Director
S. Sai Sridhar	Director
C. Appalacharyulu	Director
B. Shailaja	Company Secretary and Compliance Officer & 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.
iPower Four Technologies Pvt Ltd	Enterprises over which Key managerial personnel has significant influence.
Cadsys Technologies LLP	Wholly owned Subsidiary

b) Transactions with Related parties

Name of the Related Party	N.C.V. Rangacharya	N.C. Padmaja	Cadsys Technologies LLC USA	Apex Advanced Technology LLC USA	Apex Engineers (India) Private Limited	Cadsys Technologies LLP	B. Shailaja
Description of the nature of transactions	Receiving of professional and management Services	Receiving of professional and management Services	Provision of Services	Provision of Services	Receipt of Services	Provision of Services	Receiving of professional services
Volume of transactions either as an amount or as appropriate proportion	1. Managerial Remuneration of Rs.60,00,000/- (Rs.60,00,000/-)*	1. Managerial Remuneration of Rs. 36,00,000/- (Rs. 36,00,000/-)*	NIL	1. Receiving of Services of Rs. 15, 34,18,766/- (Rs. 15,53,62,071/-)*	1. Receiving of Services of Rs.NIL (Rs. NIL/-) 2. Inter Corporate Loan of Rs. 11,86,419/- (NIL)*	Investment During the Year Rs.27000/- (NIL)*	Remuneration of Rs. 9,60,000 (Rs.-9,60,000/-)*
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. Remuneration Payable of Rs. 3,81,490/- (Rs. 2,88,262/-)*	1. Remuneration Payable of Rs. 2,07,464/- (Rs.2,51,393/-)*	NIL	Amount Receivable against export of services of Rs. 7,43,15,994/- (Rs. 52,95,755/-)*	Amount Receivable of Rs. 11,86,419/- (Rs. NIL)*	Investment of Rs. 1,15,200/- (Rs. 88,200/-)*	Salary outstanding Rs. 68,219/- (Rs. 21,687)*
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

Note: * mark indicated figures related to previous year figures

Note No. 30 There were no overdue amounts payable, to Small Scale Industrial Undertakings (MSME) as on 31st March 2020.

Note No. 31 Previous year figures have been regrouped, recast and rearranged wherever necessary to correspond with the current years figures. Previous year figures for cash flow statement are drawn as cash flow statement for the year ended 31st March 2020 under Companies Act, 2013.

Note No. 32 The company has takenover the firm M/S. Cogent Designers on 21.09.2009 the bank account of the firm held with Canara Bank, IF Branch, Hyderabad vide current account number 2423201000161 with a balance of Rs. 1,925/- is Continuing in the name of the Firm.

Note No. 33 M/S. Cogent Consulting Engineers (India) Pvt Ltd has merged with the Company vide High Court Order Dt.13.08.2013, 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 Rs. 24,065/- and Rs. 10,554/- are continuing in the name of the Cogent Consulting Engineers (India) Pvt Ltd.

Note No. 34 Investment in a US joint venture which was made in FY 2011-12 & 2012-13 of USD 200,000 was written off in FY-2016-17. This amount has been since received back during the current Financial Year. Hence the amount is accounted as Exceptional Item and offered to tax for the Financial Year 2019-20.

Note No. 35 Paise has been rounded off to the nearest rupee.

**As per our report of even date for
NARVEN ASSOCIATES
Chartered Accountants
Firm Registration Number: 005905S**

Sd/-

**G.V. Ramana
Partner
Membership No. 025995**

**Date: 25th June 2020
Place: Hyderabad**

For and on behalf of the Board of Directors

Sd/-

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

Sd/-

**B. Shailaja
Company Secretary
& Compliance Officer
PAN: ARXPB4192L**

Sd/-

**S. Nagarajan
Director
DIN: 05262644**

Sd/-

**N.C. Padmaja
Chief Financial Officer
DIN: 01173673**

Independent Auditor's 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 2020, 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 2020, 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 is 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 Annexure 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.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The consolidated financial results included the audited financial statements / financial results of 3 subsidiaries, whose financial statements/financial results/financial information reflect Group's share of total assets of Rs. 72,55,20,391 as at 31st March, 2020, group's share of total revenue of Rs. 40,89,13,848 and Rs. (2,35,30,851) and group's share of total net profit/(loss) after tax of for the year ended 31st March, 2020 as considered in the consolidated financial results. The independent Auditor's report on financial statements/financial results/financial information of the entity being M/s Apex Engineers Private Limited has been furnished to us and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

The two subsidiaries being M/s Cadsys Technologies LLC and M/s. Apex Advanced Technology LLC which were located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries located outside India from accounting principles accepted in

their respective countries to accounting principles generally accepted in India. We have audited the conversion adjustments prepared by the holding 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 Holding Company's Management and audited by us.

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 2020 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2020 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: 059055**

Sd/-

**Date: 25th June 2020
Place: Hyderabad**

**G.V.Ramana
Partner
Membership No.:025995
UDIN: 20025995AAAAGG7508**

Annexure -A

To The Audit Report- Cadsys (India) Limited

Draft 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 31st March 2020, We have audited the internal financial controls over financial reporting of CADSYS (INDIA) LIMITED (“the Company”) as at 31st March 2020, 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained 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 2020, 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: 059055**

Sd/-

**G.V.Ramana
Partner**

**Date: 25th June 2020
Place: Hyderabad**

**Membership No.:025995
UDIN: 20025995AAAAGG7508**

Consolidated Balance Sheet

for the year ended 31st March 2020

Sr. No	Particulars	Note No.	As at 31 st March 2020	As at 31 st March 2019
			Rs.	Rs.
A.	EQUITY AND LIABILITIES			
1.	Shareholders' funds			
	(a) Share capital	2	7,50,25,000	7,50,25,000
	(b) Reserves and surplus	3	48,94,71,812	54,60,21,987
	(C) Minority Interest		(17,35,547)	(1,584,475)
2.	Non-current liabilities			
	(a) Long-term Borrowings	4	9,46,63,055	4,98,16,858
	(b) Other Long-term Liabilities		-	-
	(c) Long -term provisions	6	84,05,099	74,56,659
3.	Current liabilities			
	(a) Short-term Borrowings	7	2,85,37,099	78,34,744
	(b) Trade payables	8	1,80,86,837	2,48,84,666
	(c) Other current liabilities	9	1,85,35,227	2,49,93,947
	(d) Short-term provisions	10	10,00,347	1,38,29,403
	TOTAL		73,19,88,930	74,82,78,789
B.	ASSETS			
1.	Non-current assets			
	(a) Property, Plant and Equipment	11	32,81,35,302	31,90,49,011
	(b) Non current investments	12	32,49,451	1,37,69,327
	(c) Deferred tax assests (Net)	13	77,99,209	74,84,423
	(d) Long-term loans and advances	14	32,43,324	54,24,973
	(e) Other non current assets	15	4,70,43,016	4,66,21,655

Consolidated Balance Sheet

for the year ended 31st March 2020

Sr. No	Particulars	Note No.	As at 31 st March 2020	As at 31 st March 2019
			Rs.	Rs.
2.	Current assets			
	(a) Trade receivables	16	21,35,05,309	11,29,63,454
	(b) Cash and cash equivalents	17	4,83,48,610	18,19,85,964
	(c) Short-term loans and advances	18	1,89,70,559	1,68,01,049
	(d) Other current assets	19	6,16,94,151	4,41,78,932
	TOTAL		73,19,88,930	74,82,78,789

Significant Accounting policies
Notes on Financial Statements

1
2 to 33

As per our report of even date for
NARVEN ASSOCIATES
Chartered Accountants
Firm Registration Number: 005905S

Sd/-

G.V. Ramana
Partner
Membership No. 025995

Date: 25th June 2020
Place: Hyderabad

For and on behalf of the Board of Directors

Sd/-

Sd/-

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

S. Nagarajan
Director
DIN: 05262644

Sd/-

Sd/-

B. Shailaja
Company Secretary
& Compliance Officer
PAN: ARXPB4192L

N.C. Padmaja
Chief Financial Officer
DIN: 01173673

Consolidated Profit & Loss Statement

for the year ended 31st March 2020

Particulars		Note No.	As at 31 st March 2020	As at 31 st March 2019
			Rs.	Rs.
I	Revenue from operations	20	41,64,68,436	52,12,87,491
II	Other income	21	1,07,57,150	1,25,44,607
III	Total Revenue(I+II)		42,72,25,585	53,38,32,098
IV	Expenses			
	Employee Benefit Expense	22	25,72,98,599	19,19,99,660
	Other Operating Expenses	23	13,26,51,065	15,58,64,705
	Financial costs	24	97,88,869	55,43,797
	Depreciation and amortization expense	25	3,86,22,800	2,92,05,229
	Total Expenses		43,83,61,333	38,26,13,390
V	Profit / (Loss) before Exceptional and Extraordinary items and tax (III-IV)		(1,11,35,748)	15,12,18,707
VI	Exceptional items		(1,17,65,188)	-
VII	Profit / (Loss) before extraordinary items and tax (V - VI)		6,29,440	15,12,18,707
VIII	Extraordinary items		-	-
IX	Profit / (Loss) before tax (VII- VIII)		6,29,440	15,12,18,707
X	Tax expense:			
	(a) Current tax Expense		88,69,719	2,69,61,859
	(b) Deferred tax Expense / (Income)		(3,14,786)	(29,99,143)
	(c) Earlier Year Taxes		(1,07,76,773)	34,40,283
XI	Profit (Loss) for the period from continuing operations (VII-VIII)		28,51,280	12,38,15,708
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)		28,51,280	12,38,15,708
	Less : Minority Interests		(1,44,427)	(3,73,185)
XVII	Profit / (Loss) for the period (XV-XVI)		29,95,707	12,41,88,893
	Earning Per Share			
	(i) Basic EPS		0.40	16.55
	(ii) Diluted EPS		0.40	16.55

Consolidated Profit & Loss Statement

for the year ended 31st March 2020

Significant Accounting policies
Notes on Financial Statements

1
2 to 33

**As per our report of even date for
NARVEN ASSOCIATES
Chartered Accountants
Firm Registration Number: 005905S**

Sd/-

**G.V. Ramana
Partner
Membership No. 025995**

**Date: 25th June 2020
Place: Hyderabad**

For and on behalf of the Board of Directors

Sd/-

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

Sd/-

**B. Shailaja
Company Secretary
& Compliance Officer
PAN: ARXPB4192L**

Sd/-

**S. Nagarajan
Director
DIN: 05262644**

Sd/-

**N.C. Padmaja
Chief Financial Officer
DIN: 01173673**

Consolidated Cash Flow Statement

for the year ended 31st March 2020

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax as per Statement of Profit and Loss	6,29,440	15,12,18,707
<i>Adjustments For :</i>		
Depreciation and Amortization Expense	3,86,22,800	2,92,05,229
Finance Costs	97,88,869	55,43,797
Interest Income	(33,86,050)	(46,47,284)
Dividend Income	-	-
Debit Balances Written Off	-	5,02,850
Operating Profit before Working Capital Changes	4,56,55,059	18,18,23,299
Adjustments for Changes in Working Capital :		
Adjustments for (Increase) / Decrease in operating assets		
Long-term loans and advances	21,81,649	59,19,401
Trade Receivables	(10,05,41,854)	(2,96,78,451)
Short Term Loans & Advances	(21,69,510)	(32,59,677)
Other Current Assets	(1,75,15,219)	1,30,78,716
Adjustments for Increase / (Decrease) in operating liabilities		
Other Current Liabilities	(64,58,720)	(9,66,874)
Long Term Provisions	9,48,440	15,39,430
Trade Payables	(67,97,829)	1,70,29,039
Other Long Term Liabilities	-	-
Other Non-Current Assets	(4,21,361)	(2,21,63,519)
Short Term Provision	(1,28,29,056)	1,14,06,437
Cash from Operations	(9,79,48,400)	17,47,27,800
Income Tax Paid	19,07,054	(3,04,02,142)
Net Cash Generated from Operating Activities (A)	(9,60,41,346)	14,43,25,658
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Purchase of Fixed Assets & Goodwill others	(8,44,86,185)	(3,91,38,229)
Mutual Funds (non current investments)	1,05,19,877	(25,56,556)
Interest Income	33,86,050	46,47,284
Sales of Assets	3,67,63,804	-
Change in Minority Interest	15,97,765	(6,47,907)
Net Cash Used in Investing Activities (B)	(3,22,18,690)	(3,76,95,409)

Consolidated Cash Flow Statement

for the year ended 31st March 2020

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings	4,48,46,197	(56,95,103)
Short Term Borrowings	2,07,02,355	(11,76,883)
Finance Costs Paid	(97,88,869)	(55,43,797)
Dividend and Dividend Distribution Tax Paid	(1,12,87,291)	(90,30,009)
Net Cash Generated from Financing Activities (C)	4,44,72,392	(2,14,45,791)
Effect of Exchange Differences on translation of foreign currency cash and Cash Equivalents	(4,98,49,710)	1,07,86,300
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(13,36,37,354)	9,59,70,757
Add: Cash & Cash Equivalents As at 31 st March 2019	18,19,85,964	8,60,15,207
Cash & Cash Equivalents As at 31st March 2020	4,83,48,610	18,19,85,964

As per our report of even date for
NARVEN ASSOCIATES
Chartered Accountants
Firm Registration Number: 005905S

Sd/-

G.V. Ramana
Partner
Membership No. 025995

Date: 25th June 2020
Place: Hyderabad

For and on behalf of the Board of Directors

Sd/-

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

Sd/-

B. Shailaja
Company Secretary
& Compliance Officer
PAN: ARXPB4192L

Sd/-

S. Nagarajan
Director
DIN: 05262644

Sd/-

N.C. Padmaja
Chief Financial Officer
DIN: 01173673

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 unrealized profits or losses as per Accounting Standard 21-"consolidated Financial Statements" & "Accounting for Investments in Subsidiaries in Seperate Financial Statments".
- 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:

Sr. No.	Name of the Company of Incorporation	% of Share Holding	Country
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 to Consolidated Financial Statements

for the year ended 31st March 2020

Note No. 2 Share capital

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	Number of shares	Rs.	Number of shares	Rs.
(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 Rs. 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 INR 10 each with voting rights	-	-	-	-
(Bonus Shares of INR 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 2020		As at 31 st March 2019	
	Number of shares	% Held	Number of shares	% Held
Padmaja N.C	13,16,600	17.55	13,16,600	17.55
Rangacharya N.C.V.	18,90,875	25.20	18,90,875	25.20
B. Shailaja	15,02,400	20.03	15,02,400	20.03
Total	47,09,875	62.78	47,09,875	62.78

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

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
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	-	-	-	-
Add: 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 to Consolidated Financial Statements

for the year ended 31st March 2020

Note No. 3 Reserves and surplus

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
(a) Security Premium Account		
Opening balance	11,73,52,578	11,73,52,578
Add: Additions during the year	-	-
Less: Share Issue Expenses	-	-
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	40,01,03,110	28,37,32,935
Less: Transferred to Share Capital against fully paid Bonus Shares	-	-
Add: Profit / (Loss) for the year	29,95,707	12,41,88,893
Less: Proposed Dividend	(93,78,125)	(75,02,500)
Less: Dividend Distribution Tax	(19,09,166)	(15,27,509)
Less: Minority Interest	15,91,120	12,11,290
Add: Adjusted to fixed assets	-	-
Closing balance (D)	39,34,02,646	40,01,03,110
(e) Foreign Currency Translation Reserve		
Closing balance (E)	(3,90,63,411)	1,07,86,299
Total (A+B+C+D+E)	48,94,71,812	54,60,21,987

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Note No. 4 Long Term Borrowings

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Term Loans		
Unsecured		
Columbia Inc	3,76,65,000	3,47,50,000
Loans from Phalanx Equities LLC	1,50,66,000	-
Loans from Suntrust	2,95,48,805	-
Loans from directors	73,83,250	39,87,500
Inter corporate loan	50,00,000	91,20,026
Vehicle Loan	-	19,59,332
Total	9,46,63,055	4,98,16,858

Note No. 5 Other Long-term Liabilities

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Total	-	-

Note No. 6 Long -term Provisions

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Provision for Employee retirement benefits		
Provision for Gratuity	84,05,099	74,56,659
Total	84,05,099	74,56,659

Note No. 7 Short Term Borrowings

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Loans Repayable on Demand		
From Banks		
Secured		
Loan Against FD from Canara Bank	59,38,099	59,46,575
Canara Bank Working Capital Loan	-	18,88,169
BB&T Credit Line	2,25,99,000	-
Total	2,85,37,099	78,34,744

Of the above

* Over Draft limit of Rs. 700 lacs Secured by way of Hypothecation of Equipment and floating charge on movable assets, book debts and personal guarantee given by the Managing Director, and Executive Director and Director of the Company & 'Collateral Security of Residential Plots admeasuring 2000 Sq Yds situated at Thimmayapalli, Keesara Mandal R.R.Dist, and Open Plots admeasuring 5230 Sq.Yds situated at Ghanpur Village, Toopran Mandal, Medak District and open plot No.11 admeasuring 773 Sq Yds and Open Plots admeasuring 7465 Sq Yds at Ghanpur Village, Toopran Mandal, Medak Dist. and open Plots admeasuring 2311 Sq Yds situated at Yawapoor Village, Toopran Mandal, Medak District.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Note No. 8 Trade payables

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Others		
Trade Payables		
i) Total outstanding dues to micro enterprises and small enterprises	10,418	2,54,119
ii) Total outstanding dues to creditors other than micro enterprises and small enterprises	1,80,76,419	2,46,30,547
Total	1,80,86,837	2,48,84,666

Note No. 9 Other current liabilities

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Current Maturities of Long Term Debt	19,06,028	4,00,421
Current Maturities of Finance Lease Obligations	-	4,51,593
Employee Benefits Payable		
Bonus Payable	31,83,840	29,87,427
Director Remuneration Payable	5,88,954	5,39,655
Directors Sitting Fee Payable	18,000	72,000
Other Payable	11,43,233	14,96,519
Employee Recreation Fund	-	3,58,002
Salaries Payable	75,31,507	1,05,15,474
Statutory Liabilities Payable		
Professional Tax Payable	1,71,500	2,00,450
AP INDIVIDUALS	12,14,879	2,78,000
ESI Payable	73,586	1,37,832
PF Payable	6,47,376	6,09,053
Service Tax Payable	-	-
TDS Payable	6,07,768	5,43,451
Other Payables		
Audit Fee Payable	3,60,000	4,14,000
CSR Liability	-	23,93,936
Electricity Charges Payable	1,60,443	3,12,637
Expenses Payable	91,325	1,47,895
Other Payables	2,37,136	15,59,555
Rent Payable	4,91,651	15,76,047
Total	1,85,35,227	2,49,93,947

Note No. 10 Short-term provisions

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Provision for Income Tax (Net of TDS & Advance Tax)	10,00,347	1,38,29,403
Total	10,00,347	1,38,29,403

Note No.11 Property, Plant and Equipment

Sr. No	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		" As at 01-04-2019 "	" Additions during the year "	" Deletions during the year "	" As on 31-03-2020 "	Up to 01.04.2019	" Deletions during the year "	1st Half Year	2nd Half Year	Total	" As on 31-03-2020 "	" As on 31-03-2019 "
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Tangible Fixed Assets											
1	Furniture & Fittings	1,62,86,762	54,60,928	-	2,17,47,690	1,43,07,741	-	7,10,436	5,19,388	12,29,824	1,55,37,564	62,10,125
2	Computer	7,69,55,766	14,43,267	-	7,83,99,033	7,63,80,737	-	2,60,721	2,85,496	5,46,217	7,69,26,954	14,72,079
3	Servers	41,83,654	-	-	41,83,654	37,62,799	-	1,85,237	1,15,374	3,00,611	40,63,410	1,20,244
4	Electrical Equipments	50,29,488	-	-	50,29,488	48,66,002	-	17,510	17,510	35,020	49,01,021	1,28,467
5	Office Equipment	64,72,685	2,38,069	-	67,10,754	57,79,066	-	1,92,550	1,87,591	3,80,141	61,59,207	5,51,547
6	Vehicle	62,96,477	-	-	62,96,477	33,16,426	-	3,93,530	3,93,530	7,87,060	41,03,486	21,92,991
7	Air conditioner	25,38,668	-	-	25,38,668	21,34,688	-	39,643	39,643	79,286	22,13,974	3,24,694
8	Generator	33,94,362	-	-	33,94,362	26,55,771	-	84,315	84,315	1,68,630	28,24,401	5,69,961
9	U.P.S	39,43,590	-	-	39,43,590	35,68,184	-	1,35,686	1,35,187	2,70,873	38,39,057	1,04,533
10	Communication Equipment	48,98,085	-	-	48,98,085	46,98,114	-	64,682	63,854	1,28,536	48,26,650	71,435
11	Land	4,00,27,051	-	3,93,07,051	7,20,000	-	-	-	-	-	-	7,20,000
	Total	17,00,26,588	71,42,264	3,93,07,051	13,78,61,801	12,14,69,527	-	20,84,310	18,41,887	39,26,197	12,53,95,724	1,24,66,077
	Intangible Fixed Assets											
12	Software	10,33,54,285	5,00,54,089	-	15,34,08,374	5,14,17,872	-	1,98,62,351	1,42,58,506	3,41,20,857	8,55,38,729	6,78,69,645
13	Goodwill	20,21,74,292	1,03,62,772	-	21,25,37,064	17,27,238	-	2,87,873	2,87,873	5,75,746	23,02,984	20,21,74,292
14	Capital-work in progress Product development under progress	-	3,75,65,500	-	3,75,65,500	-	-	-	-	-	-	3,75,65,500
	Total	30,55,28,577	9,79,82,361	-	40,35,10,938	5,31,45,110	-	2,01,50,224	1,45,46,379	3,46,96,603	8,78,41,713	31,56,69,225
	Grand Total	47,55,55,165	10,51,24,625	-	54,13,72,739	17,46,14,637	-	2,22,34,535	1,63,88,265	3,86,22,800	21,32,37,437	32,81,35,302
												25,41,10,707
												30,26,67,767

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Note No. 12 Non Current Investments

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Canara Bank Robeco Mutual Fund	14,16,576	1,21,97,423
Cadsys Technologies LLP	1,15,200	88,200
Investments- Instancy Inc USA	17,17,675	14,83,704
Total	32,49,451	1,37,69,327

Note No. 13 Deferred tax assests (Net)

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Deferred tax liability		
Related to fixed assets	(40,31,695)	(39,03,331)
Deferred tax assets		
Disallowances under the Income tax act' 1961	(37,67,514)	(35,81,092)
Deferred tax Liability (Net)	(77,99,209)	(74,84,423)

Note No. 14 Long-term loans and advances

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
(a) Security deposits		
Rent Deposits	14,50,000	33,47,992
Electricity Deposits	12,59,021	12,59,021
Other Deposits	5,34,303	7,79,274
(b) Other loans and advances		
Unsecured Considered Good	-	-
APIIC Limited	-	38,686
(c) Balances with government authorities		
Unsecured, considered good	-	-
Total	32,43,324	54,24,973

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Note No. 15 Other Non-current Assests

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Preliminary Expenses	1,39,27,751	1,34,64,554
Payroll Amortisation	1,05,16,265	1,36,30,101
Non Compete Fee	2,25,99,000	1,95,27,000
Total	4,70,43,016	4,66,21,655

Note No. 16 Trade receivables

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Trade receivables		
Unsecured, considered good		
More than six months	12,97,03,153	23,55,870
Others	8,38,02,156	11,06,07,584
Total	21,35,05,309	11,29,63,454

Note No. 17 Cash and cash equivalents

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
(a) Cash on hand	1,75,717	2,34,009
(b) Balances with banks		
(i) In current accounts	2,44,17,286	10,26,88,526
(ii) In Fixed deposit accounts <i>(period of maturity within one year)</i>	2,37,55,608	7,90,63,429
Total	4,83,48,610	18,19,85,964

Note No.18 Short-term loans and advances

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
(a) Others Loans and advances		
Advance to Employees	80,313	1,89,931
Other Advances	11,53,057	5,76,850
TDS & Refund receivables	36,33,245	44,49,850
Input GST	1,41,03,943	1,15,84,418
Total	1,89,70,559	1,68,01,049

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Note No. 19 Other current assets

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Advance for Capital Asset	2,06,90,996	-
Interest Accrued On Fixed Deposits	8,60,589	24,76,228
Other recivables	25,62,712	46,57,745
Prepaid Expenses	47,65,122	87,43,727
Work In Progress	3,28,14,732	2,83,01,232
Total	6,16,94,151	4,41,78,932

Note No. 20 Revenue from Operations

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Revenue from operations		
Sale of Services	38,96,65,186	50,53,02,139
Unbilled Revenue	2,68,03,250	1,59,85,352
Total	41,64,68,436	52,12,87,491

Note No. 21 Other income

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Interest Income	33,86,050	46,47,284
Other Income	40,20,493	68,03,571
Exchange Gain	33,50,606	10,93,753
Total	1,07,57,150	1,25,44,607

Note No. 22 Employee Benefit Expense

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Salaries and wages	22,55,70,608	16,74,90,169
Remuneration to Directors	96,00,000	96,00,000
Contributions to provident and other funds	52,62,599	54,41,587
Staff welfare expenses	1,40,70,730	60,47,526
Gratuity	27,94,662	34,20,378
Total	25,72,98,599	19,19,99,660

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Note No. 23 Other Operating Expenses

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
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	1,20,000
Accounting fee	1,93,389	-
Advertising Expenses	6,07,983	3,93,986
Bad debts Write off	-	5,02,850
Bank charges	14,94,722	4,90,582
Books & Periodicals	15,698	13,504
COGS	4,22,55,606	6,07,51,013
Computer Consumables	19,70,923	2,16,116
CSR Expenses	-	11,17,584
Directors Sitting Fee	85,000	80,000
Donations	1,54,455	65,212
Due & Publications	16,30,994	34,357
Domain Renewal charges	2,61,500	1,45,139
Electricity Charges	63,29,168	67,02,798
Foreign Travel Expenses -Directors	-	2,24,094
Foreign Travel Expenses -Employees	4,16,681	44,20,579
Fuel Expenses	1,42,588	2,27,933
Immigration fee	1,49,506	4,78,467
Insurance	79,44,668	71,03,117
Internet Charges	25,55,329	4,22,364
Job Work Charges	-	4,54,000
Legal Expenses	9,03,688	20,96,737
Misc Expenses	83,85,221	37,08,330
Office Expenses	26,16,049	77,40,233
Postage & Courier Charges	2,12,367	3,28,444
Printing & Stationery	7,34,970	3,13,623
Prior Period Expenses	-	2,53,015
Professional & Consultancy Charges	77,46,769	72,01,631
Amortization	61,60,188	57,34,160
Rates & Taxes	16,30,407	19,55,943
Rent	55,77,639	79,05,014
Repairs & Maintenance - Others	78,62,893	13,41,189
Sales Commission	36,28,510	1,80,43,108
Sales Consulting Fee	29,72,569	33,51,291

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Security Charges	6,24,000	7,76,500
Service Charges	2,25,000	2,29,500
Software Charges	13,06,050	8,84,368
Subscription & Other Charges	32,10,535	10,94,269
Telephone Charges	9,56,566	4,44,095
Travelling and Conveyance	85,59,302	79,77,240
Accommodation	24,51,732	-
Visa Fee	1,08,400	72,320
Total	13,26,51,065	15,58,64,705

Note No. 24 Financial costs

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
Interest expense on:		
- Interest on Finance Lease Loans	-	760
- Interest On Working Capital Loans	21,35,915	18,59,351
- Interest Others	74,13,727	34,03,019
- Interest on Vehicle loans	2,39,227	2,80,667
Total	97,88,869	55,43,797

Note No. 25 Capital Commitments and Contingent Liabilities

a. Estimated amount of unexecuted capital contracts:

(Amount in Rs.)

Sr.No	Particulars	2019-20	2018-19
1.	Unexecuted Capital Contracts	Nil	Nil

b. Contingent liabilities:

(Amount in Rs.)

Sr.No	Particulars	2019-20	2018-19
1.	Outstanding Corporate Guarantees	Nil	2,13,141

Note No. 26 Auditors Remunerations:

(Amount in Rs.)

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Note No. 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 & C. Madhavi
N.C.Padmaja	Whole time Director and CFO & Sister of N.C.V. Rangacharya & C. Madhavi
C.Madhavi	Director, sister of Managing director and Whole-time director
S.Nagarajan	Director
S. Sai Sridhar	Director
C. Appalacharyulu	Director
B. Shailaja	Company Secretary & Compliance office, 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.
iPower Four Technologies Pvt Ltd	Enterprises over which Key managerial personnel has significant influence.
Cadsys Technologies LLP	Wholly owned Subsidiary

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

b) Transactions with Related parties

Name of the Related Party	N.C.V. Rangacharya	N.C.Padmaja	Cadsys Technologies LLC USA	Apex Advanced Technology LLC USA	Apex Engineers (India) Private Limited	Cadsys Technologies LLP	B. Shailaja
Description of the nature of transactions	Receiving of professional and management Services	Receiving of professional and management Services	Provision of Services	Provision of Services	Receipt of Services	Provision of Services	Receiving of professional services
Volume of transactions either as an amount or as appropriate proportion	1. Managerial Remuneration of Rs.60,00,000/- (Rs.60,00,000/-)*	1. Managerial Remuneration of Rs. 36,00,000/- (Rs. 36,00,000/-)*	NIL	1. Receiving of Services of Rs. 15, 34,18,766/- (Rs. 15,53,62,071/-)*	1. Receiving of Services of Rs. NIL (Rs. NIL/-) 2. Inter Corporate Loan of Rs. 11,86,419/- (NIL)*	Investment During the Year Rs.27000/- (NIL)*	Remuneration of Rs. 9,60,000 (Rs.9,60,000/-)*
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. Remuneration Payable of Rs. 3,81,490/- (Rs. 2,88,262/-)*	1. Remuneration Payable of Rs. 2,07,464/- (Rs.2,51,393/-)*	NIL	Amount Receivable against export of services of Rs. 7,43,15,994/- (Rs. 52,95,755/-)*	Amount Receivable of Rs. 11,86,419/- (Rs. NIL)*	Investment of Rs. 1,15,200/- (Rs. 88,200/-)*	Salary outstanding Rs. 68,219/- (Rs. 21,687)*
Provisions for doubtful debts due from such parties at that date and amounts back in the period in respect of debts due from or to related parties	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Note: * Mark indicated figures related to previous year figures

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

- Note No. 28** There were no overdue amounts exceeding Rs. 1, 00,000/- each, which age outstanding for more than 30 days payable to Small Scale Industrial Undertakings as on 31st March 2020.
- Note No. 29** Investment in a US joint venture which was made in FY 2012-13 of USD 200,000 was written off in FY-2016-17. This amount has been since received back during the current Financial Year. Hence the amount is accounted as Exceptional Item and offered to tax for the Financial Year 2019-20.
- Note No. 30** The company has takeover the firm M/S. Cogent Designers on 21.09.2009 the bank account of the firm held with Canara Bank, IF Branch, Hyderabad vide current account number 2423201000161 with a balance of Rs. 1,925/- is Continuing in the name of the Firm.
- Note No. 31** M/S. Cogent Consulting Engineers (India) Pvt Ltd has merged with the Company vide High Court Order Dt.13.08.2013, 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 Rs. 24,065/- and Rs. 10,554/- are continuing in the name of the Cogent Consulting Engineers (India) Pvt Ltd.
- Note No. 32** Paisa has been rounded off to the nearest rupee.
- Note No. 33** 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

Date: 25th June 2020
Place: Hyderabad

For and on behalf of the Board of Directors

Sd/-

Sd/-

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

S. Nagarajan
Director
DIN: 05262644

Sd/-

Sd/-

B. Shailaja
Company Secretary
& Compliance Officer
PAN: ARXPB4192L

N.C. Padmaja
Chief Financial Officer
DIN: 01173673

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 28TH ANNUAL GENERAL MEETING OF THE MEMBERS OF CADSYS (INDIA) LIMITED WILL BE HELD ON WEDNESDAY THE 30TH DAY OF SEPTEMBER, 2020 AT 09:00 A.M. (IST) THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”) 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 2020 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 2020 together with the Auditor’s Report there on 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 2020, the Board’s Report and Auditors’ Report thereon placed before this meeting, be and are hereby received, considered and adopted.”
- b) **“RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March 2020, the Auditor’s Report thereon placed before this meeting, be and are hereby received, considered and adopted.”

2) Re-appointment of Shri. Sripadarajan Nagarajan as a Director, liable to retire by rotation:

To appoint a Director in place of Shri. Sripadarajan Nagarajan (DIN: 05262644), who retires by rotation and being eligible, offers himself 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 Shri.Sripadarajan Nagarajan (DIN: 05262644) as a director to the extent that he is liable to retire by rotation.”

3) To appoint Auditors and fix their remuneration:

To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s Dharapaneni& Co., Chartered Accountants, bearing Registration No: 000685S be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the AGM of the Company to be held for the FY 2024-25, to examine and audit the accounts of the Company on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

“RESOLVED FURTHER THAT the Board be and is here by authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the above resolution.”

SPECIAL BUSINESS:

4) To Consider and approve Re-appointment of Shri. N.C.V Rangacharya (01067596) as Managing Director 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 Sections 196 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 the re-appointment of Shri. N. C. V Rangacharya (01067596) as a Managing Director, for a period of 5 (five) years with effect from 01st April 2020.”

“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.”

5) To Consider and approve Smt. Nallani Chakravarthi Padmaja (DIN: 01173673) as a Whole Time Director 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 196 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 the re-appointment of Smt. Nallani Chakravarthi Padmaja (DIN: 01173673), as a Whole-Time Director, designated as Executive Director of the Company, for a period of 5 (five) years with effect from 01st April, 2020.”

“**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.”

6) To Consider and approve payment of remuneration for professional services to Shri. Sripadarajan Nagarajan, Non-executive Director 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 Sections 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“the Act”), rules made there under (“the Rules”), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 that Shri. Sripadarajan Nagarajan, the Non-Executive Director of the Company be paid annually, for each of the financial years commencing from 1st April 2020, Professional fee of an amount not exceeding ₹5 lakhs (Rupees Five Lakhs only) per month in addition to the fees for attending the meetings of the Board and its Committees.”

“**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/-

**Date: 5th September 2020
Place: Hyderabad**

**N.C Padmaja
Whole Time Director
DIN: 01173673**

NOTES:

- 1) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto and forms part of this notice. The Board of Directors have considered and decided to include the Items mentioned under Special Business in the forthcoming AGM, as they are unavoidable in nature.
- 2) The relevant details, pursuant to provisions of Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM is annexed to this Report. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment.
- 3) In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its General Circular No. 20/2020 dated 5th May 2020 in relation to 'Clarification on holding of Annual General Meeting ('AGM') through video conferencing ('VC') or other audio visual means ('OAVM') read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) (here in after collectively referred to as "the Circulars") permitted the holding of the AGM through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Circulars, the 28th AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM will be the place from where the Chairman of the Board conducts the AGM.
- 4) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the proxy form, attendance slip, and Route Map are not annexed to this Notice.
- 5) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 6) Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) pursuant to Section 113 of the Companies Act, 2013 are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative together with the respective specimen signatures of those representative(s) authorized under the said Resolution to attend the AGM through VC / OAVM on its behalf and to vote thereof. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to consult@ranjcs.com with a copy marked to cs@cadssystem.com.
- 7) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Members will be able to view the proceedings on e-voting website of National Securities Depository Limited ('NSDL') at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available for 500 (Five Hundred) members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 8) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.cadssystem.com. The Notice can also be accessed from the websites of National Stock Exchange of India Limited at www.nseindia.com and on NSE Emerge platform at https://www1.nseindia.com/emerge/index_sme.htm. The AGM Notice is also disseminated on the website of the company at www.cadssystem.com. Members who have any other queries, may write to us at cs@cadssystem.com.
- 9) The members who have cast their vote through e-voting may attend the meeting but shall not be entitled to cast their vote again.
- 10) The Registers of Directors, Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs@cadssystem.com.

- 11) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney and update bank account details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their respective Depository Participant(s).
- 12) Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.
- 13) As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their Depository Participants.
- 14) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- 15) Members seeking any information with regard to the accounts or any other matter to be placed at the AGM, are requested to write to the Company from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at cs@cadssystem.com on or before 7 days of the Annual General Meeting i.e., before **05.00 p.m. (IST) on, 24th September 2020**. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.
- 16) In compliance with the afore said MCA Circulars and SEBI Circular dated 12th May 2020, Notice of the AGM along with the Annual Report for the FY 2019-20 (Financial Statement viz. Balance Sheet, Profit & Loss Statement, Directors' Report and Auditor's Report etc. will be sent only through electronic mode to those Members whose email addresses are registered with the Company/Depository Participants unless a member has requested for a hard copy of the same. Members are requested to support the "Green Initiative" and get their email addresses registered with their Depository Participants in case of shares held in Demat form for future correspondences with the Company.
- 17) The Register of Members and Share Transfer Books of the Company will remain closed from **24th September 2020 to 30th September 2020** (both days inclusive).
- 18) 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.
- 19) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI Listing Regulations (as amended), MCA Circulars and the SEBI Circular, the Company is providing its members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means (by using the electronic voting system provided by NSDL). The manner of voting remotely by members holding shares in dematerialized mode is provided in the instructions for e-voting section which forms part of this Notice.
- 20) The members can opt for only one mode of remote e-voting i.e. either prior to the AGM or during the AGM. The members present at the Meeting through VC/OAVM who have not already cast their vote by remote e-voting prior to the Meeting shall be able to exercise their right to cast their vote by remote e-voting during the Meeting. The members who have cast their vote by remote e-voting prior to the AGM are eligible to attend the Meeting but shall not be entitled to cast their vote again.
- 21) The e-voting period commences on **26th September 2020 09.00a.m. IST and ends on 29th September 2020 05:00 p.m. IST**. During this period, members holding shares, as on cut-off date, i.e. as on **25th September 2020** may cast their votes electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on **25th September 2020**.
- 22) The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

- 23) Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
- 24) SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
- 25) The Company has appointed CS Nitesh Agarwal, Partner at M/s. RANJ & Associates, Company Secretaries to act as the Scrutinizer & shall scrutinize the entire voting process to be conducted through VC/OAVM. The Scrutinizer, Email ID: is consult@ranjcs.com, who shall scrutinize the process in fair and transparent manner.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system and they may access the same at <https://www.evoting.nsd.com> under the Shareholders/Members login by using the remote e-Voting credentials, where the EVEN of the Company will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM through a live webcast of the meeting and submit votes on announcement by the Chairman. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further, Members may also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members may join the AGM through laptops, smartphones, tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
3. Members who would like to express their views/ask questions as a Speaker at the AGM may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/ folio number, PAN and mobile number to cs@cadstys.com between **19th September 2020 (09:00 a.m. IST) and 23rd September 2020 (05.00 p.m. IST)**. Only those Members who have pre-registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
4. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or call on toll free no.: 1800-222-990.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

The remote e-voting period begins on **26th September 2020 at 09.00 A.M. and ends on 29th September 2020 at 05.00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

- Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsd.com/>**
- Step 2: Cast your vote electronically on NSDL e-Voting system.**

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User Id is
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your “**Initial Password**”?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on “[Forgot User Details/Password?](#)” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) “[Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to consult@ranjcs.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to – cs@cadssystem.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@cadssystem.com.

3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email ID, mobile number at cs@cadssystem.com.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@cadssystem.com. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

EXPLANATORY STATEMENT

Pursuant to the provisions of Section 102 of Companies Act, 2013

Item No. 4:

Existing term of Shri. N.C.V Rangacharya as Managing Director of the Company was completed on 31st March 2020 and as such pursuant to the provisions of Sections 196 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company (the 'Board'), at its meeting held on 26th March 2020 has, subject to the approval of members, re-appointed Shri N.C.V Rangacharya as Managing Director, for a further period of 5 (five) years w.e.f 01st April 2020 from the expiry of his present term.

It is proposed to seek the members' approval for the re-appointment of Shri N.C.V Rangacharya as Managing Director, in terms of the applicable provisions of the Companies Act, 2013 (Hereinafter referred as ("The Act"))

Broad particulars of the terms of re-appointment of Shri N.C.V Rangacharya are as under:

Brief resume of Shri N.C.V Rangacharya:

Shri. N.C.V Rangacharya has been in the office as Managing Director since the inception of the Company. He was last re-appointed on 01st April 2015 for a term of 5 (five) years w.e.f 01st April 2015. During the term of Shri. N.C.V Rangacharya as Managing Director, the Company has made considerable progress in all the spheres and is optimistic on the future progress of the Company.

Shri. N.C.V Rangacharya is an M. Tech graduate from IIT, Chennai, India and has vast experience in Outsourcing, Marketing, Operations, Program Management and Project Management. He is also an expert in workflow design and process re-engineering an essential requirement for ITES industry. Ever since the inception of the company he has built up a team of professionals in every major area of Business (R&D, Marketing and Technical services etc.,).

As the founder of Cadsys (India) Limited, Mr. Rangacharya has created a vision and path for the growth of the Company through his skills, talent and commitment. The Company has made remarkable progress under his guidance and supervision and has embarked upon the expansion and diversification activities to achieve a much higher growth rate.

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

Except Shri N.C.V Rangacharya, Smt. N.C Padmaja and Smt. N.C. Madhavi none of the Directors/KMPs and their relatives is interested in this Resolution.

Item No. 5:

Existing term of Smt. N.C.Padmaja as Whole-Time Director of the Company was completed on 31st March 2020 and as such pursuant to the provisions of Sections 196 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company (the 'Board'), at its meeting held on 26th March 2020 has re-appointed Smt. Nallani Chakravarthi Padmaja as a Whole-Time Director, subject to the approval of members of the Company, for a further period of 5 (five) years w.e.f. 01st April 2020 from the expiry of her present term.

It is proposed to seek the members' approval for the re-appointment of Smt. Nallani Chakravarthi Padmaja as a Whole-Time Director, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of Smt. Nallani Chakravarthi Padmaja are as under:

Brief resume of Smt. Nallani Chakravarthi Padmaja:

Smt. Nallani Chakravarthi Padmaja handles the departments of Administrative and Financial Affairs of the Company. Before joining Cadsys, she was one of the leading members of Hyderabad Stock Exchange with over 2 decades of experience in the fields of Finance, Administration and General Management of the Company Affairs. During the tenure of Smt. Nallani Chakravarthi Padmaja as Whole-Time Director, the Company has made considerable progress in all the spheres and is optimistic on the future progress.

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

Except Smt. Nallani Chakravarthi Padmaja, Shri.N.C.V Rangacharya and Smt. N.C. Madhavi none of the Directors/ KMPs and their relatives is interested in this Resolution.

Item No. 6:

Shri. 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. Shri. 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.

Shri. Nagarajan has expressed his willingness to provide his expertise knowledge in the matters related to Project management and operations. The Board of Directors of the Company (the 'Board'), at its meeting held on 26th March 2020, has resolved that subject to the approval of members of the Company, pursuant to the provisions of Sections 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act"), rules made there under ("the Rules"), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compensation for the professional services for Shri. Sripadarajan Nagarajan, the Non-Executive Director of the Company, be paid on a monthly basis, for each of the financial years commencing from 1st April 2020, Professional fee of an amount not exceeding Rs 5 lakhs (Rupees Five Lakhs only) on monthly basis in addition to the fees for attending the Board and Committee meetings.

It is proposed to seek the members' approval for the payment of Professional fee or such other fee to Shri. Nagarajan as the Board may determine, in terms of the applicable provisions of the Act.

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

Except Mr. Sripadarajan Nagarajan none of the Directors/ KMPs and their relatives is interested in this Resolution.

Cadsys (India) Limited

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

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

S. No.	Particulars	Information	Information	Information
1.	Name of Director	Shri. Sripadarajan Nagarajan	Shri. N.C.V Rangacharya	Smt. Nallani Chakravarthi Padmaja
2.	Director Identification Number	05262644	01067596	01173673
3.	Brief Resume of Director	Shri. 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. Shri. 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.	Shri. N.C.V Rangacharya is M. Tech from IIT, Chennai and has wide-ranging experience in Software Development, CAD and Marketing. He is also an expert in workflow design and process re-engineering an essential requirement for ITES industry.	Smt. Nallani Chakravarthi Padmaja handles the departments of Administrative and Financial Affairs of the Company. Before joining Cadsys, she was one of the leading members of Hyderabad Stock Exchange with over 2 decades of experience in the fields of Finance, Administration and General Management of the Company Affairs.
4.	Nature of expertise in specific functional areas	Provides expert advices and strategies on the development of Software which are used in our GIS business.	He is an expert in workflow design and process re-engineering an essential requirement for ITES industry	She is well versed with handling the departments of Administrative and Financial Affairs of the Company
5.	Disclosure of relationships between Directors inter-se	NIL	Smt. Padmaja Nallani Chakravarthi - Sister and Smt. N.C. Madhavi-Sister	Shri N.C.V Rangacharya-Brother and Smt. N.C. Madhavi-Sister
6.	Names of listed entities in which the person also holds the Directorship	NIL	NIL	NIL
7.	The membership of Committees of the board	He is holding membership in Nomination and Remuneration Committee.	He is holding membership in Audit Committee, Stakeholder's Relationship Committee and CSR Committee.	She is holding membership in Stakeholder's Relationship Committee and CSR Committee.
8.	Disclosure of Disqualification	He is not disqualified from being appointed as a Director	He is not disqualified from being appointed as a Director	She is not disqualified from being appointed as a Director

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