

# CADSYS (INDIA) LIMITED

Engineering The Digital Transformation



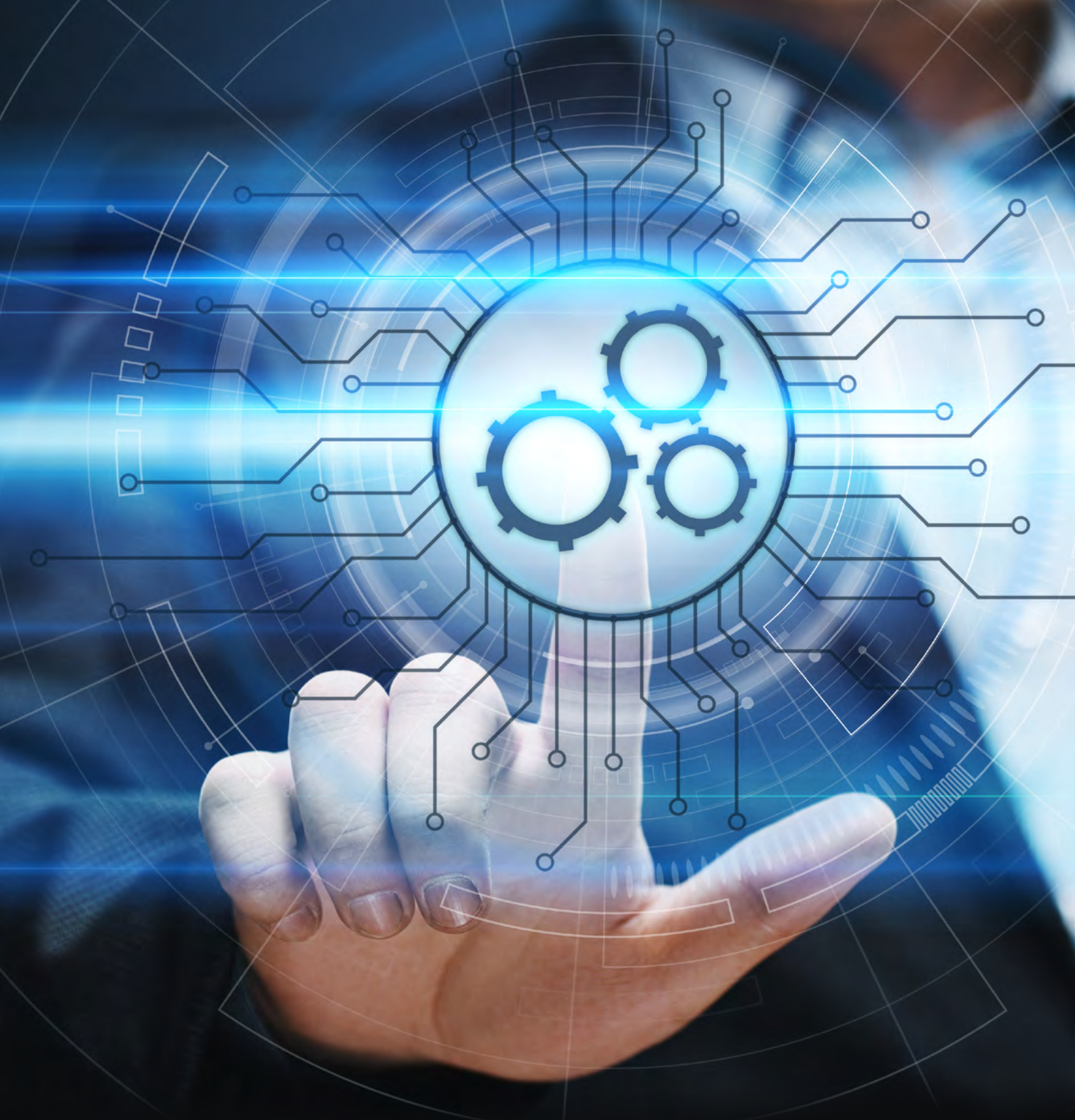
26<sup>th</sup>

ANNUAL REPORT | 2017-18



CADSYS





**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.



# Table Of Contents

## Corporate Overview

Managing Director's Speech	04	History and Timeline	12
Facilities	06	Financial Momentum	14
Corporate Information	08	Snapshot of Events during the year	16
Company Background	09	Mastishk: Cadsys CSR	18
Services	10	Board of Director's	20

## Statutory Reports

Management Discussion And Analysis	22	Board's Report	26
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## Financial Statements

STANDALONE FINANCIALS		CONSOLIDATED FINANCIALS	
Standalone Balance Sheet	55	Consolidated Balance Sheet	83
Standalone Profit & Loss	57	Consolidated Profit & Loss	85
Standalone Cash Flow Statement	58	Consolidated Cash Flow Statement	86
Notes to Standalone Financial Statements	62	Notes to Consolidated Financial Statements	91
Independent Auditor's Report	77	Independent Auditor's Report	105
		Notice	109







# Managing Director's Speech

Dear Shareholders,

It gives me immense pleasure for having this opportunity to address all the esteemed shareholders of the Company and present the 26th Annual Report of Cadsys (India) Limited. Firstly, I on behalf of the Company, would like to thank you all for being here and bestowing your trust in the Company. Since, the inception of the Company in 1992, we started our journey in the IT and ITeS industry with a vision to create a strong value chain and gain trust of our customers by achieving targets before time and simultaneously maintain highest quality standards. It is this vision and belief that brought the management and employees of the Company together and embark on the mission of success. Like said before, at core, Your Company thrives on 3 core principles:

- Continuous pursuit of Excellence
- Dedication to highest principles of Ethics
- Unflinching faith in culture of Intrapreneurship

Clasping to our core principles, Cadsys in October, 2017 opted to have its equity shares listed on the NSE EMERGE platform. The listing of equity shares on the Stock Exchange has laid down a path for strong Company and shareholder relationship and we perceive as a huge motivation factor to strive further to secure the interest of the stakeholders of the Company. To highlight some of 2017-18 performances in terms of revenue and business growth, we are pleased to inform that, in the FY 2017-18 as per the Standalone financials your Company has achieved a total revenue of ₹ 3,280 Lakhs as compared to ₹ 2,833 Lakhs in the previous Financial Year 2016-17. Similarly, as per the consolidated financials, your Company had earned a total revenue of ₹ 4,554 Lakhs in FY 2017-18 as compared to ₹ 4,363 Lakhs in FY 2016-17.

The current year Standalone Profit After Tax (PAT) is ₹ 353 Lakhs as compared to ₹ 268 Lakhs in the year 2016-17. However, we have observed faint slump in the Consolidated Profit After Tax (PAT) i.e., ₹ 739 Lakhs in the current year as compared to ₹ 1,094 Lakhs of PAT in the previous financial year. This down side in PAT is regarded due to two unforeseen factors, fluctuations in the foreign exchange currency and pending renewal of a contract by a customer. In an effort to overcome the foregoing, your Company is working hard to build strong customer base and further expand its market in the USA.

During the year, some of the highlights on the business front are as follows:

- In the current year of operation your company has started undertaking field Service Inventory, audit for Telecom and Utility infrastructure.
- Developed a new product for project management software for managing field oriented projects



- Developed softwares for capturing field based data.

In this regard, our forecast in terms of business growth and outlook for the forthcoming Financial year 2018-19 is expected to be as follows:

The Future Mode of Operations will implement new “Best Practice” work flows, processes, and software platforms that will improve operational efficiency, quality and profitability as well as utilize centralized design concepts that will lower overall design costs. To facilitate the FMO for Cadsys it will be necessary to implement standard software platforms for project management, financial management, and sales management. An FMO Process Improvement Plan has been created to transit the present mode of operations (PMO) to the FMO model. The Goals of the Cadsys’ Process Improvement Plan are as follows:

- Improve Efficiency and Quality
- Increase workload capacity
- Ensure schedule adherence
- Automate tasks and reduce work content
- Create training and Development for new engineers
- Improve ability to ramp up trained engineers
- Increase Revenue
- Improve Profitability

The management is confident that with these structural changes in the operations, your company will witness an accelerated, stable and robust growth in the coming years.

Finally, I would like to conclude my speech thanking our Shareholders, Merchant Bankers, respected officials of National Stock Exchange EMERGE platform, Share Transfer Agents, Senior Management, customers, vendors, auditors, company secretaries, and all the employees of the Company for extending their continuous support and encouragement towards your Company. We aim and hope to continue to invest more efforts and hard work in building a strong family and generate more employment to the youth of this Nation.

Thank you once again.  
With warm regards,

sd/-

**Nallini Chakravarthi Rangacharya**  
**Founder and Managing Director**

”



# Facilities



**Cadsys (India) Ltd - Operations Team**



**Cadsys (India) Ltd Production Team providing on-site field services to clients in USA.**





**Cadsys (India) Ltd Production Team providing on-site field services to clients in USA.**



**Marketing Team representing Cadsys in a GIS conference.**



# Corporate Information

## Board of Directors

**Mr. Nallani Chakravarthi Venkata Rangacharya**  
Managing Director

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

**Mr. Sai Sridhar Sangineni**  
Independent Director

**Mrs. Nallani Chakravarthi Madhavi**  
Director

**Mr Sripadarajan Nagarajan**  
Non-Executive Director

## Registered Office of the Company

**Cadsys (India) Limited**  
3-5-900/1, IVth Floor,  
Aparajitha Arcade,  
Himayathnagar, Hyderabad – 500029  
Telangana, India.

**Telephone:** +91-40-2322-4110;

**Facsimile:** +91-40-2322-3984;

**E – mail:** info@cadsystech.com

**Website:** www.cadsystech.com

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

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

## Stock Exchange

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

## Share Transfer Agents

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

## Statutory Auditors

M/s. Narven Associates  
Chartered Accountants  
Email: ca.narven@gmail.com  
Firm Registration No.: 0059055

## INTERNAL AUDITORS

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

## SECRETARIAL AUDITORS

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

## Bankers to the Company

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





# Company Background

Cadsys (India) Limited is a professionally managed multi-disciplinary organization 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

- 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.

**GIS – Telecom,  
Asset Mapping**





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

- 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.

## Infrastructure Engineering Services

- 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.

# History and Timeline

**1989**

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

**1991**

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

**1995**

Entered Joint Venture with a US Company & Started exports.

**2000**

Started Telecom GIS CIMAGE field data real time updation.

OSP FM Field Data Cleanup.





**2004**

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

**2005**

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

**2006**

Started High End Engineering Design KPO.

**2010**

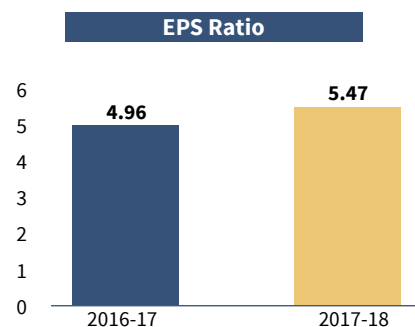
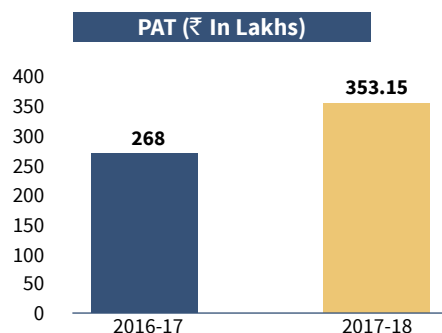
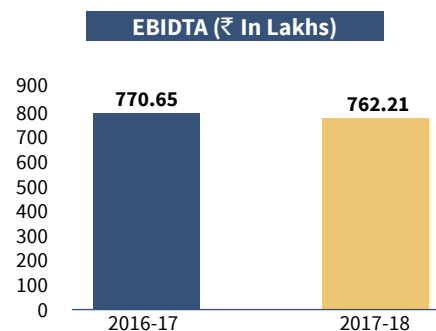
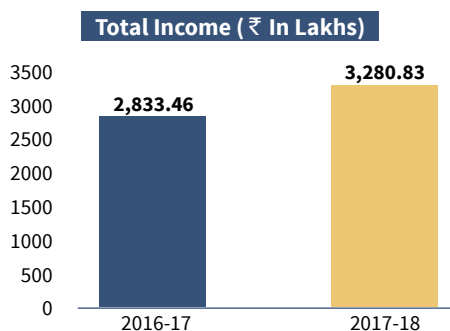
Major Technology Overhaul

**2016**

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

# Financial Momentum

## Standalone



(₹ In Lakhs)

### Statement of Profit & Loss

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue	3,280.83	2,833.46	3,154.71	2,315.24	2,030.61
Total Expenses	2,805.21	2,439.23	2,336.36	1,613.29	1,605.22
EBITDA	762.21	770.65	1,008.65	842.26	606.75
Finance Cost	161.16	128.53	88.12	61.34	34.26
Depreciation	115.33	247.88	102.18	80.68	146.29
PBT	475.62	394.23	818.35	701.95	425.39
Tax Expenses	132.57	126.23	258.78	258.88	111.41
PAT	353.15	268.00	559.57	441.34	314.78

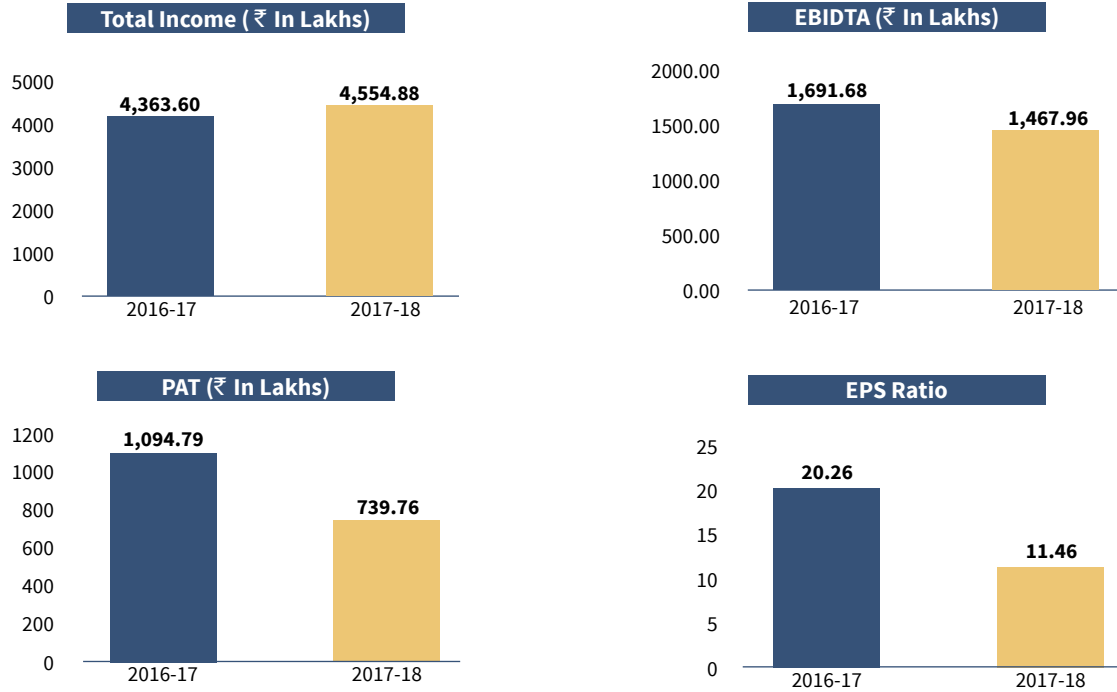
### Accounting Ratios

EPS	5.47	4.96	51.79	40.85	29.13
RONW	9.35%	12.68%	30.33%	33.66%	33.39%
NAV	50.37	39.11	170.74	121.36	87.26



# Financial Momentum

## Consolidated



(₹ In Lakhs)

### Statement of Profit & Loss

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue	4,554.88	4,363.60	3,199.32	2,440.95	2,105.50
Total Expenses	3,667.77	3,146.76	2,388.96	1,710.89	1,697.90
EBITDA	1,467.96	1,691.68	1,008.85	882.43	589.50
Finance Cost	193.63	157.37	88.12	61.34	34.26
Depreciation	377.13	317.47	110.37	91.03	147.64
PBT	887.10	1216.84	810.36	730.06	407.60
Tax Expenses	152.47	119.88	258.78	260.60	110.61
PAT	739.76	1094.79	551.74	468.4	296.99

### Accounting Ratios

EPS	11.46	20.26	51.04	43.33	27.47
RONW	14.92 %	37.79 %	30.57 %	36.70 %	33.95 %
NAV	66.10	53.63	167.03	118.14	80.96

# Snapshot of Events during the year



“Cadsys won the “Best IT & ITeS” award in the SME-Empowering India Awards 2018. The award was presented by Honorable Union Cabinet Minister Chaudhary Birender Singh at glittering function held in Le Meridien-New Delhi. The award was received by Director of the Company Mr. Nagarajan Sripadarajan.”







“ CADSYS held a grand Listing Ceremony of the Company marking the commencement of trading of Company's securities on NSE EMERGE platform. The present Hon'ble Finance Minister for the State of Telangana, Shri Etela Rajender, graced the event and struck the trading bell. The management on behalf of the Company thanked each and everyone who worked tirelessly in making the listing process a huge success. ”



## Annexure - V

# MASTISHK: Cadsys CSR

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

Cadsys (India) Limited formed a trust known as **"Mastishk support group"** which is a CSR initiative of the Company. Mastishk in Sanskrit means **"MIND"**. The primary objective of Mastishk support group is to help persons with Epilepsy and Stroke - Mind Disorders.

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

The mission of Mastishk Support Group is to **"To empower/enable persons with epilepsy to take charge of their lives"**. Epilepsy support group provides inputs of a multi-disciplinary health care team available to provide medical care, consider surgery or other therapies, and help individuals with epilepsy



**Cadsys CSR meet. Employees of the company pledge for Mastishk.**

and their families to manage and cope with the impact on their lives. The ultimate goal of this group is to empower persons with epilepsy to achieve freedom from seizures and freedom for side effects by undertaking following activities.



**Newspaper Coverage about Mastishk**

## CSR policy

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

- 2) Overview of projects or programs proposed to be undertaken:  
Mastishk Support Group has proposed to provide assistance with respect to finance and conducting awareness programs for people suffering from Epilepsy and Stroke.
- 3) Web - link to the CSR policy : <http://www.mastishk.org>
- 4) The Composition of the CSR Committee:
  - a) Mr. N.C.V. Rangacharya – Chairman
  - b) Mrs. N.C. Padmaja – Member
  - c) Mr. S. Sai Sridhar – Member
- 5) Average net profit of the Company for last three financial years prior to 2017-18: ₹ 6,38,17,615 /-
- 6) Details of CSR spent during the financial year:



1.	Total amount to be spent for the financial year 2017-18	Provision has been made for approx ₹ 22 lakhs. Out of which ₹ 10 lakhs has been transferred to Mastishk Trust. A provision has been created for transfer approx of ₹ 12 lakhs to the Group.
2.	Amount spent, if any;	₹ 2,20,000/-
3.	Manner in which the amount spent during the financial year is detailed below.	Amount transferred via cheque to KIMS Limited towards medical expense.



7)

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

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

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

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

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

Sd/-

Sd/-

**N.C.V. Rangacharya**  
Managing Director  
DIN: 01231778

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

**Date: May 30th, 2018**  
**Place: 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 20, 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.



# Management Discussion And Analysis

## I) INDUSTRY DOMAIN STRUCTURE AND DEVELOPMENTS

India has been the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 67% of the US \$124 – 130 Billion market. This industry employs nearly about 10 Million workforces overall. More importantly, the IT industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. The IT industry has also created significant demand in the Indian education sector, especially for engineering and computer science.

The Indian IT and ITeS industry are divided into four major segments –

- i) IT services,
- ii) Business Process Management (BPM),
- iii) Software products and engineering services, and
- iv) Hardware\*.

In Fiscal 2016 the estimated revenue from exports of IT & BPM sector was US \$108 Billion. During FY17 the country's revenue growth in IT exports is expected at 10 per cent. In 2015 India comprised of around 500 BPM players generating a revenue of USD23 billion, which is expected to reach 50 billion in 2020. India's IT industry amounts to 4.26 per cent of the global market, largely due to exports as of 2015.

### GIS Engineering Services

The Geographic Information System (GIS) is a technological tool that helps us to understand geography better and assists in making intelligent decisions. GIS has application in almost every field like:

- 1) Mining and Oil Exploration
- 2) Flood control and Disaster Management
- 3) Traffic Management
- 4) Crime control
- 5) Waste Disposal and Environment Management
- 6) Sales Ware Housing and Marketing
- 7) Consumer Applications – Like Navigational Charts and Location Based Services.

Making decision based on geography is basic to human thinking. Where we shall go, what it will be like and what we shall do when we get there are applied to the simple event of going to the store or to the major event of launching a bathysphere into the ocean's depths. By understanding geography and people's relationship to location, we can

make informed decision about the way we live on our planet. GIS is useful because of the ability to interface with external programs and software for decision support, data management. Therefore, a Geographic Information System is a technological tool for comprehending geography and making intelligent decisions.

## II) CADSYS STRENGTHS AND OPPORTUNITIES

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

- **Established relationships with customers and suppliers over the years.**

We have established long-term relationships with our clients. Our unflinching commitment to **'Value-based growth'** became the corner-stone of our existence, while we served to a client base of 11 customers in Fiscal 2017. Our commitment to client satisfaction serves to strengthen our relationships. This relationship capital built over the years translated to a competitive strength as we are in a position to leverage these relationships to build scale.

- **Leverage quality processes and project management capabilities**

We leverage in excellent quality processes and project management capabilities. Our philosophy since inception is to build and provide services through proprietary service delivery accelerators. We provide a comprehensive solution to address the need of our customers by using Cadsys's proprietary conflation tool. This Data conflation software solution has enabled Utility companies to align existing data with a new and more spatially accurate land base source. We specialize in providing highly accurate conflation and realignment solutions at substantially low costs, and thereby meeting the geospatial needs of organizations of varied strengths.

- **Demonstrated track record of delivery.**

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



- **Strong pool of technically -qualified base of IT professionals**

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

## III) RISKS AND THREATS IN IT and ITeS INDUSTRY

- Increased Competition from Local & Big Players
- Security impediments to data acquisition / dissemination

- Change in Government Policy mapping projects
- Less awareness and encouragement for use of geospatial technology.
- Dependencies on Cost Budgeting

#### IV) OUTLOOK / STRATEGIES:

Utility companies are continually employing new and old strategies to overcome these industry challenges and remain relevant in the changing energy marketplace. Adapting to new rules, innovating new offerings and investing in cost-saving technologies are just a few avenues for transforming challenges into opportunities. As part of our expansion program, Cadsys has widened its services by creating market presence through its Subsidiary **“Apex Advanced Technology LLC”**, USA. It has made a global footprint of long-standing relationships with major companies in US, UK, Middle East and Australia. Further, to create a niche for itself,

Cadsys has also created “Concord Pro”, an innovative and cost effective conflation software. This software helps the utility companies to combine their network data to form a new land base that gives more accurate data.

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

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

#### V) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

To ensure effective maintenance of Quality and Administrative processes, our Company has adopted and implanted certain internal control systems. The 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 to perform Internal Audit and maintain the internal financial controls of the Company from time to time. Further, the Company also, appointed Ranj & Associates as the Secretarial Auditor of the Company to perform the Secretarial Audit for the FY 2017-18. Further, it is the top priority for the management of the Company to focus on the safe and secured environment to work for women especially. Therefore, to maintain this safe and secured work environment, the Company has in place various policies such as Prevention of Sexual Harassment Policy to take stringent actions against any unforeseen behaviour or actions.



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

Cadsys possesses requisite human resource in the form of 250+ professionals that include Engineers, Designers and 3D Modelers, based out of its GIS Centers at Hyderabad. The Cadsys team provides assistance and practical support on all aspects of Outside Plant network infrastructure and Field operations. Cadsys' multi-discipline team has expertise on all leading Geospatial softwares including ESRI's ArcGIS, GE Smallworld, Intergraph's G/Tech, CIMAGE, ICGS, Byers EWO, SpatialNET, CableCAD, AutoCAD, Microstation, BSTCAD and proprietary GIS platforms like LODE, FOCUS etc.

## VII) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

From the Standalone Balance Sheet, Profit and Loss statement for the 2018 Fiscal, it is indicative that **"Other Expenses"** proliferated from ₹ 897.71 Lakhs to ₹ 1,455.46 Lakhs. This raise is attributed to the expenditure occurred towards sub-contract services received by the Company for the purpose of Pilot projects conducted to the Customers for business expansion in to another conglomerate service known as **"Field Service"**. During the Fiscal 2018, the company has achieved a revenue of ₹ 3,280.82 Lakhs as opposed to ₹ 2,833.46 Lakhs. in Fiscal 2017. The PAT for the FY 2016-17 is ₹ 353.15 Lakhs and for FY 2017-18 is ₹ 268.00 Lakhs.

Further, the economy inflation on domestic and international level and Foreign Exchange rate fluctuations has effected the revenue of the Company to an indicative level. Every Company thrives to balance the expenditure to Return. It is the similar obligation of the Company to safeguard the interest of the shareholders and thrive continuously expanding the market presence of the Company and simultaneously increase the return on Equity Employed.

## FORWARD-LOOKING STATEMENTS

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

## Board's Report

To,  
The Members,  
Cadsys (India) Limited

Dear Members,

Your Directors are pleased to present the 26th 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 March 31, 2018, and the Auditors' Report thereon. The Company's financial performance for the year under review are given hereunder:

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

#### FINANCIAL HIGHLIGHTS

(Amount in Lakhs)

Particulars	Standalone		Consolidated	
	For the financial year ended 2017-18	For the financial year ended 2016-17	For the financial year ended 2017-18	For the financial year ended 2016-17
Total Revenue	3,280	2,833	4,554	4,363
Total Expenses	2,805	2,439	3,667	3,146
Finance Cost	161	128	193	157
Depreciation	115	247	377	317
Profit before Tax	475	394	887	1,216
Current Tax	151	181	168	(181)
Deferred Tax	(29)	(54)	(16)	61
Profit after Tax	353	268	739	1,094
Earnings per share (Basic & Diluted)	5.47	4.96	11.46	20.26

#### FINANCIAL PERFORMANCE

During the year under review, your Company has performed well and made a total standalone revenue from operations of ₹ 3,280 lakhs as against ₹ 2,833 lakhs in previous year. Profit after tax (PAT) has gone up by ₹ 353 lakhs as against ₹ 268 lakhs in previous year. Your Directors are continuously making effort for the future growth and expansion of the Company by exploring possible avenues in the market. Further, during the year under review, there were no changes in the Nature of Business of the Company.

#### EXPORTS

The exports of the Company continue to be a major chunk of

revenue accounting for a volume of ₹ 2,133 lakhs representing 65.03% of the total revenue of ₹ 3,280 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 March 31, 2018, the Company has not transferred any amount to Reserves.

#### DIVIDEND

Your Board of Directors has recommended a Final Dividend for the Financial Year ended on March 31, 2018, at the rate of 10% (Ten per cent) i.e. ₹1.00 (Rupee One Only) per Equity Share

having Face Value of ₹10/- (Rupees Ten Only) each, subject to approval of the Members at the ensuing 26th (Twenty Sixth) Annual General Meeting (AGM) of the Company.

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

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

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

#### **LISTING OF EQUITY SHARES ON THE SME PLATFORM OF NATIONAL STOCK EXCHANGE - NSE EMERGE:**

During the year under review, your Company has listed its Equity shares on the SME platform of National Stock Exchange - NSE EMERGE and the listing approval from the NSE was received on October 03, 2017. The Scrip symbol of the Company is “**CADSYS**”. The Equity shares of the Company were made available for trading w.e.f October 04, 2017. Your Company sincerely believes in consistent growth year by year and listing of equity shares is one such big accomplishment.

The Issue comprises of 21,00,000 Equity Shares of face value of ₹ 10/- (Rupees Ten only) each including share premium of ₹ 60/- (Rupees Sixty Only) per equity share, for cash at a price of ₹ 70/- (Rupees Seventy Only) per equity share (“**Issue Price**”), aggregating up to ₹ 1,470 Lakhs.

The Company intended to utilize the net proceeds of the Issue towards the following purposes:

- Repayment of Loan
- General Corporate Purposes

#### **PRE AND POST ISSUE EQUITY SHARE SHARE CAPITAL**

During the year under review, authorized share capital of the Company was increased from ₹365 lakhs to ₹ 850 lakhs. Further, your Company has raised money(ies) from public through initial public offer (IPO) by listing its Equity shares on the SME platform of National Stock Exchange - NSE EMERGE. The Issue comprises of 21,00,000 Equity Shares of face value of ₹ 10/- (Rupees Ten only) each including share premium of ₹ 60/- (Rupees Sixty Only) per equity share, for cash at a price of ₹ 70/- (Rupees Seventy Only) per equity share (“**Issue Price**”), aggregating up to ₹ 1,470 Lakhs.

Accordingly, the paid-up Equity share capital of your Company as on March 31, 2018 was ₹ 750.25 lakhs. Further, during the year under review, the Company has not issued any shares with differential voting rights nor granted stock options or sweat equity shares.

#### **EXTRACT OF ANNUAL RETURN**

The Extract 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**”.

#### **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.

Sr. No.	Particulars	Details of Equity shares
1.	No. of Equity Shares before Issue	54,02,500
2.	No of Equity Shares after Issue	75,02,500



**Following were the Directors and Key Managerial Personnel of the Company as on March 31, 2018.**

Sr. No	Name of the Directors	Designation	DIN/PAN
1.	Nallani Chakravarthi Padmaja	Whole-Time Director and Chief Finance Officer	01173673
2.	Nallani Chakravarthi Venkata Rangacharya	Managing Director	01231778
3.	Nallani Chakravarthi Madhavi	Non-Executive Director	01199595
4.	Sri Padarajan Nagarajan	Non-Executive Director	05262644
5.	Nandachary Mudumbi	Independent & Non -Executive Director	02714333
6.	Sai Sridhar Sangineni	Independent & Non-Executive Director	03274134
7.	Babladi Shailaja	Company Secretary and Compliance Officer	ARXPB4192L

**Changes during the Financial Year ended March 31, 2018:****I) Appointment of Director/KMP**

During the year under review, your Company has appointed Mr. Nandachary Mudumbi & Mr. Sai Sridhar Sangineni as Independent Directors on the Board of the Company w.e.f April 01, 2017 pursuant to provisions of Section 149 (6) read with Schedule IV of the Companies Act, 2013 and rules made thereunder. The Company has also received declarations from the Independent Directors confirming that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act 2013 and SEBI (LODR) Regulations, 2015.

Your Company has appointed Mrs. Nallani Chakravarthi Padmaja as Chief Financial Officer (CFO) and Mrs. Babladi Shailaja as Company Secretary & Compliance Officer of the Company w.e.f July 03, 2017, pursuant to the provisions of Section 203 of Companies Act, 2013 and rules made thereunder.

**II) Resignation**

During the year under review, Mr. Chandra Sekhar, ceased to be a Director from the Board of Directors of the Company w.e.f April 01, 2017. Board place on record the valuable services rendered by Mr. Chandra Sekhar during his tenure as a Director of the Company and express its deep sense of appreciation and gratitude for the same.

**III) Retire by Rotation**

In accordance with the provisions of the Companies Act, 2013, Mr. 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.

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

During the year under review, the Board has 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/>.

**Composition of Audit Committee:**

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

**Details of Audit Committee Meetings:**

The Audit Committee met 05 times during the year under review on May 15, 2017, July 03, 2017, July 28, 2017, August 17, 2017 and January 22, 2018. 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	Number wise meetings attendance					No. of Meetings Attended
		1	2	3	4	5	
1.	Nallani Chakravarthi Venkata Rangacharya	✓	x	✓	✓	x	3
2.	Nandachary Mudumbi	✓	✓	✓	✓	✓	5
3.	Sai Sridhar Sangineni	✓	✓	✓	✓	✓	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 review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration. The committee policy is available on our website, at <http://www.cadsystech.com/investor/>.

**Composition of Nomination and Remuneration Committee:**

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

**Details of Nomination & Remuneration Committee Meetings:**

The Nomination & Remuneration Committee met 02 times during the year under review on May 15, 2017 and July 03, 2017. 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	Number wise meetings attendance		No. of Meetings Attended
		1	2	
1.	Sai Sridhar Sangineni	✓	✓	2
2.	Nandachary Mudumbi	✓	✓	2
3.	Sripadarajan Nagarajan	✓	✓	2

**III) STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Stakeholder 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 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

**Details of Stakeholders' Relationship Committee Meetings:**

Stakeholders' Relationship Committee met 1 time during the year under review i.e., on January 22, 2018. The details of attendance of each member at the Stakeholders' Relationship Committee meeting held during the year are as under:

Sr. No	Name of the Directors	Number wise meetings attendance	No. of Meetings Attended
		1	
1.	Nallani Chakravarthi Madhavi	✓	1
2.	Nallani Chakravarthi Padmaja	✓	1
3.	Nallani Chakravarthi Venkata Rangacharya	x	0



#### IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Composition: The Corporate Social Responsibility Committee (CSR) of the Board of Directors meets the criteria laid down under Section 135 of the Companies Act, 2013 and Rules made therein. It consists of the following members:

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 CSR Meetings:

CSR Committee met 02 times during the year under review on May 15, 2017 and January 22, 2018. 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	
1.	Nallani Chakravarthi Venkata Rangacharya	✓	x	1
2.	Nallani Chakravarthi Padmaja	✓	✓	2
3.	Sai Sridhar Sangineni	✓	✓	2

#### 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:

#### Board Meetings attendance of Directors during the Financial year 2017-18.

During the FY 2017-18, the Board of Directors met 10 times on April 01, 2017, April 30, 2017, May 15, 2017, July 03, 2017, July 24, 2017, July 29, 2017, August 17, 2017, September 12, 2017 September 29, 2017 and January 22, 2018.

Sr. No.	Name of the Directors	Number wise meetings attendance										No. of Board Meetings Attended
		1	2	3	4	5	6	7	8	9	10	
1.	Nallani Chakravarthi Venkata Rangacharya	x	✓	✓	x	✓	✓	✓	✓	✓	✓	08
2.	Nallani Chakravarthi Padmaja	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	09
3.	Nallani Chakravarthi Madhavi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
4.	Sripadarajan Nagarajan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
5.	Nandachary Mudumbi	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	09
6.	Sai Sridhar Sangineni	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	09

## 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 March 31, 2018 are mentioned under the Form No. MGT - 9 which is forming part of this Board's 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 March 31, 2018, the applicable accounting standards have been adopted and followed;
- ii) the applicable accounting policies are applied consistently to make judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs and profit 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:

Particulars	Financial Year 2017-18	Financial Year 2016-17
Foreign Exchange Earnings (₹ In Lakhs)	₹ 2,133	₹ 2,414
Foreign Exchange Outgo (₹ In Lakhs)	₹ 10	₹ 19



## CONSOLIDATED FINANCIAL STATEMENTS OF SUBSIDIARIES

As on March 31, 2018 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 before the Board for approval. The Board of Directors of the company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the company and its related parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules framed thereunder. Policy for related party transactions has been uploaded on the website of the company. <http://www.cadsystech.com/investor/>.

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has invested a sum of ₹ 2,022 lakhs in following companies as at 31 March, 2018 for its business purpose. Apart from the 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 March 31, 2018.

### PARTICULARS OF EMPLOYEES AND REMUNERATION

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

### RISK MANAGEMENT

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

### VIGIL MECHANISM

In accordance with the provisions of Section 177 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Company has formulated a vigil mechanism to address the instances of fraud and mismanagement, if any. The policy



can also be accessed on the Company's website. - <http://www.cadsystech.com/investor/>.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management's 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 on SME Platform of National Stock Exchange of India Limited- NSE EMERGE under Chapter XB of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Further, as per 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. 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 Directors' report.

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

The Company is committed to uphold and maintain the dignity of woman employees and Company has in place a policy as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your company has constituted Internal Complaints Committee as required under the said Act to oversee the complaints, if any. Your Directors further state that during the year under review, there were no cases filed pursuant to said Act. A copy of the policy can also be accessed on the Company's website <http://www.cadsystech.com/investor/>.

## 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 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 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) has appointed Narven & Associates, Peer reviewed Chartered Accountants (Firm registration No. 005905S), as statutory auditors of the Company, from the conclusion of the 23rd Annual General Meeting till the conclusion of the 28th Annual general Meeting to be held in



the year 2020 subject to ratification by members at every AGM held during such period. Accordingly, the Board of Directors of the Company recommends the ratification of appointment of M/s Narven & Associates, Chartered Accountants as Statutory Auditors of the Company. The Members are requested to approve the resolution No. 4 seeking ratification of appointment of 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 March 31, 2018. The Secretarial Auditors' Report for the year ended March 31, 2018 forms part of this report as **"Annexure-VI"**.

#### Explanation to Secretarial Auditors Comment:

##### Auditor's Observation:

The Company has created the provision in the financial statement for the FY 2017-18 in respect of contribution towards Corporate Social Responsibility (CSR) activities carried out through its Mashtishk Support Group, Company's Registered Trust.

##### Explanation:

The Board is committed towards its CSR activities and had created provision in Financial Statements for FY 2017-18 in respect of sum allocated towards the CSR contribution to the Mastishk support Group, a company's registered trust. Further, the CSR committee monitors the activities undertaken by the group on regular basis and endeavors to execute its CSR obligation

#### Cost Audit:

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

#### ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude to Shareholders for the confidence reposed by them and thank all the shareholders, customers, bankers, 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/-

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

**N.C.V. Rangacharya**  
**Managing Director**  
**DIN: 01231778**

## Annexure - I

### Form No. MGT-9 - Extracts of Annual Return for the FY 2017-18

[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	July 23rd, 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, IVth 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	<b>Bigshare Services Private Limited</b> <b>Address:</b> 306, Right wing, Amrutha Ville Opp: Yashoda Hospital, Somajiguda, Raj Bhavan road Hyderabad-82, Telangana, India. <b>Telephone:</b> +91 – 022 62638200 <b>Facsimile:</b> +91 – 022 62638299 <b>E-mail:</b> bsshyd1@bigshareonline.com <b>Website:</b> www.bigshareonline.com <b>Investorgrievance:</b> 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	
<b>A. Promoter</b>									
1) Indian									
a) Individual/ HUF	--	18,90,875	18,90,875	35.00%	18,90,875	--	18,90,875	25.20%	-9.80%
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp	--	--	--	--	--	--	--	--	--
e) Banks/ FI	--	--	--	--	--	--	--	--	--
f) Any Other (Directors Relative)	--	16,66,225	16,66,225	30.84%	16,66,225	--	16,66,225	22.20%	-8.64%
<b>Sub-total(A) (1):-</b>	--	<b>35,57,100</b>	<b>35,57,100</b>	<b>65.84%</b>	<b>35,57,100</b>	--	<b>35,57,100</b>	<b>47.40%</b>	<b>-18.44%</b>
<b>2) Foreign</b>									
g) NRIs- Individuals	--	--	--	--	--	--	--	--	--
h) Other- Individuals	--	--	--	--	--	--	--	--	--
i) Bodies Corp.	--	--	--	--	--	--	--	--	--
j) Banks / FI	--	--	--	--	--	--	--	--	--
k) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub-total(A) (2):-</b>	--	--	--	--	--	--	--	--	--

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>B.Public Shareholding</b>									
<b>1. Institutions</b>									
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%	0.43%
<b>Sub-total(B)(1)</b>	--	--	--	--	<b>32,000</b>	--	<b>32,000</b>	<b>0.43%</b>	<b>0.43%</b>
<b>2. Non - Institutions</b>									
a) Bodies Corp.									
(i) Indian	--	--	--	--	2,06,000	--	2,06,000	2.75%	2.75%
(ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	--	10,000	10,000	0.19%	13,60,000	--	13,60,000	18.13%	17.94%



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 held at the end of the year								
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	18,35,400	18,35,400	33.97%	22,35,400	--	22,35,400	29.79%	-4.18%
c) Others(Spec-ify)	--	--	--	--	--	--	--	--	--
Clearing mem-bers	--	--	--	--	68,000	--	68,000	0.91%	0.91%
NRI	--	--	--	--	44,000	--	44,000	0.59%	0.59%
Sub-total(B)(2)	--	18,45,400	18,45,400	34.16%	39,13,400	--	39,13,400	52.20%	18.44%
TotalPublic Shareholding (B)=(B)(1)+ (B)(2)	--	18,45,400	18,45,400	34.16%	39,45,400	--	39,45,400	52.60%	18.44%
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	--	54,02,500	54,02,500	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	35.00%	--	18,90,875	25.20%	--	-9.80%
	<b>Total</b>	<b>18,90,875</b>	<b>35.00%</b>	<b>--</b>	<b>18,90,875</b>	<b>25.20%</b>	<b>--</b>	<b>-9.80%</b>



**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	35.00%	18,90,875	35.00%
	Dilution of Promoters shareholding post Public Issue.	--	--	--	-9.80%
	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
<b>Mrs. Shailaja Babladi</b>				
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%
<b>Mr. Gururaj Babladi</b>				
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%
<b>Mrs. N.C. Pushpavathi</b>				
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%



<b>Mr. C. Venugopal Prasad</b>				
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%
<b>Mrs. N. C Rangamani</b>				
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%
<b>New Berry Capitals Private Limited</b>				
At the beginning of the year	--	--	--	--
Purchased during the year	80,000	1.07%	80,000	1.07%
At the End of the year	80,000	1.07%	80,000	1.07%
<b>Mr. Riaz Ahmed Khatri</b>				
At the beginning of the year	--	--	--	--
Purchased during the year	72,000	0.96%	72,000	0.96%
At the End of the year	72,000	0.96%	72,000	0.96%
<b>ECAP Equities Limited</b>				
At the beginning of the year	--	--	--	--
Purchased during the year	58,000	0.77%	58,000	0.77%
At the End of the year	58,000	0.77%	58,000	0.77%
<b>SSJ Finance &amp; Securities Private Limited</b>				
At the beginning of the year	--	--	--	--
Purchased during the year	50,000	0.67%	50,000	0.67%
At the End of the year	50,000	0.67%	50,000	0.67%
<b>Mr. S Rajagopal</b>				
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%

**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
<b>Mr. N.C.V Rangacharya</b>				
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%
<b>Mrs. N.C. Padmaja</b>				
At the beginning of the year	12,96,600	17.28%	12,96,600	17.28%
Changes during the year	--	--	--	--
At the End of the year	12,96,600	17.28%	12,96,600	17.28%
<b>Mrs. N.C. Madhavi</b>				
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%
<b>Mrs. Shailaja Babladi</b>				
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 in ₹
Indebtedness at the beginning of the financial year				
i) Principal Amount	11,53,77,988	75,33,052	--	12,29,11,040
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>11,53,77,988</b>	<b>75,33,052</b>	<b>--</b>	<b>12,29,11,040</b>



	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness in ₹
Change in Indebtedness during the financial year				
- Addition	--	--	--	--
- Reduction	(10,42,69,609)	(74,61,119)	--	(11,17,30,728)
Net Change	(10,42,69,609)	(74,61,119)	--	(11,17,30,728)
Indebtedness at the end of the financial year				
i) Principal Amount	1,11,08,379	71,933	--	1,11,80,312
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>1,11,08,379</b>	<b>71,933</b>	<b>--</b>	<b>1,11,80,312</b>

## 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 ₹
		N.C.V. Rangacharya	N.C. Padmaja	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/s 17(3) Income-tax Act, 1961	--	--	--	--
		--	--	--	--
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 ₹
		N.C.V. Rangacharya	N.C. Padmaja	Others	
5.	Others, please specify	--	--	--	--
6.	<b>Total (A)</b>	<b>60,00,000/-</b>	<b>36,00,000/-</b>	<b>--</b>	<b>96,00,000/-</b>
	Ceiling as per the Act	In Compliance with Companies Act, 2013 & rules made thereunder			

**B. Remuneration to other directors**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	Independent Directors					
	·Fee for attending board committee meetings	--	--	--	--	--
	·Commission	--	--	--	--	--
	·Others, please specify	--	--	--	--	--
	<b>Total(1)</b>	--	--	--	--	--
	Other Non-Executive Directors					
	·Fee for attending board committee meetings	--	--	--	--	--
	·Commission	--	--	--	--	--
	·Others, please specify	--	--	--	--	--
	<b>Total(2)</b>	--	--	--	--	--
	<b>Total(B)=(1+2)</b>	--	--	--	--	--
	<b>Total Managerial Remuneration</b>	--	--	--	--	--
	<b>Overall Ceiling as per the Act</b>	--	--	--	--	--



**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 in ₹
1.	Gross salary (a)Salary as per provisions contained in section17(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	--	3,60,000/- --	-- --	3,60,000/- --
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission - as % of profit -others, specify	--	--	--	--
5.	Others, please specify	--	--	--	--
6.	<b>Total</b>	--	--	--	--

**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)
<b>A. Company</b>					
Penalty	NA	--	--	--	--
Punishment	NA	--	--	--	--
Compounding	NA	--	--	--	--
<b>B. Directors</b>					
Penalty	NA	--	--	--	--
Punishment	NA	--	--	--	--

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

**C. Other Officers In Default**

Penalty	NA	--	--	--	--
Punishment	NA	--	--	--	--
Compounding	NA	--	--	--	--

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

Sd/-

Sd/-

Date: May 30th, 2018  
Place: Hyderabad

N.C.V. Rangacharya  
Managing Director  
DIN: 01231778

N.C. Padmaja  
Whole Time Director  
DIN: 01173673



## Annexure - II

### Form No. AOC - 1

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

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

##### Part A - Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sr.No.	Particulars	I	II	III
1.	Name of the subsidiary	Apex Engineers (India) Pvt. Ltd	Cadsys Technologies LLC USA	Apex Advanced Technology LLC, USA
2.	The date since when subsidiary was acquired	09/11/2016	28/05/2009	13/04/2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	01/04/2017 to 31/03/2018	01/01/2017 to 31/12/2017	01/01/2017 to 31/12/2017
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹	₹	₹
5.	Share capital	1,00,000	41,51,466	18,71,35,854
6.	Reserves and surplus	(57,64,804)	(67,13,402)	13,74,28,994
7.	Total assets	1,98,20,490	51,70,015	37,22,00,114
8.	Total Liabilities	1,98,20,490	51,70,015	37,22,00,114
9.	Investments	-	-	-
10.	Turnover	12,80,08,898	1,30,58,709	23,04,65,865
11.	Profit/loss before taxation	32,76,546	6,94,858	5,42,70,026
12.	Provision for taxation	-	-	-
13.	Profit/loss after taxation	23,71,524	6,94,858	5,25,43,068
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

Date: May 30th, 2018  
Place: Hyderabad

Sd/-	Sd/-
N.C.V. Rangacharya Managing Director DIN: 01231778	N.C. Padmaja Whole Time Director DIN: 01173673



## Annexure - III

### Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 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 March 31st, 2018, no contracts or arrangements or transaction were entered with Related Parties, which are not at arm's length basis.

#### 2) Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name of the Related Party	Nature of relationship	Nature of contracts	Duration of contract	Terms of the contract	Amount (₹ In Lakhs)
1.	N.C.V. Rangacharya	Director	Managerial Remuneration	--	--	₹ 60
2.	N.C. Padmaja	Director	Managerial Remuneration	--	--	₹ 36
3.	CS Babladi Shailaja	KMP	Remuneration for appointment to the Office of Company Secretary & Compliance officer of the Company (KMP)	--	--	₹ 3.6
4.	Apex Advanced Technology LLC	Wholly owned Subsidiary	Rendering of Services	--	--	₹ 1,821
5.	Apex Engineers (India) Private Limited	Subsidiary	Receipt of Services	5 years	Rendering of Services	₹ 1,156

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

Sd/-

Sd/-

Date: May 30th, 2018  
Place: Hyderabad

N.C.V. Rangacharya  
Managing Director  
DIN: 01231778

N.C. Padmaja  
Whole Time Director  
DIN: 01173673

## 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, Nandachary Mudumbi 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:

There has not been any change in the percentage increase in the remuneration paid to the Chief Finance Officer, Company Secretary during the financial year under review.

- 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: 263 (Two Hundred & Sixty Three)

- 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: 01231778

N.C. Padmaja  
Whole Time Director  
DIN: 01173673

Date: May 30th, 2018  
Place: Hyderabad

## Annexure - VI

### FORM NO. MR-3 Secretarial Audit Report for the FY 2017-18

**[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, 2018 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, 2018 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.
- ii) The Listing Agreements entered into by the Company with The National Stock Exchange, (NSE EMERGE);

The Company is engaged in the business of IT & ITES (IT Enabled Services). Accordingly, some of the applicable Industry specific Acts are covered under the purview of our audit, in consultation with the Management and on the basis of the Guidance Note issued by the ICSI. Based on our verification and having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company:

- i) The Information Technology Act, 2000 & Rules made



thereunder;

- ii) Software Technology Parks of India rules and regulations, 2004.

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

- *The Company created provision in the financial statements for the FY 2017-18 in respect of contribution towards Corporate Social Responsibility (CSR) activities carried out through its Mashtishk Support Group, Company's Registered Trust.*

#### **We further report that**

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

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board and the Committee

were unanimous and no dissenting views have been recorded.

**We further report that**, based on the information provided and the representation made by the Company, in our opinion there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period:

- Pursuant to the provisions of Section 180(1c) of Companies Act, 2013 and rules made thereunder, the Company at its Extra-Ordinary General Meeting held on 24th July, 2017 has taken approval from members of the Company for borrowing money(ies) upto a limit of ₹ 8,00,00,000/- (Rupees Eight Crores Only) [including the money already borrowed by the Company] in excess of aggregate of the paid-up capital of the Company and free reserves.
- Company has raised money(ies) from public through initial public offer (IPO) by listing its Equity shares on the SME platform of National Stock Exchange - NSE Emerge. The Issue comprises of 21,00,000 Equity Shares of face value of ₹ 10/- (Rupees Ten only) each including share premium of ₹ 60/- (Rupees Sixty Only) per equity share, for cash at a price of ₹ 70/- (Rupees Seventy Only) per equity share ("issue price"), aggregating up to ₹ 1,470 Lakhs. Listing approval from NSE Emerge received on 03rd October, 2017.

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

**For RANJ & Associates  
Company Secretaries**

**Sd/-**

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

**Date: May 30th, 2018  
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

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

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

**For RANJ & Associates  
Company Secretaries**

**Sd/-**

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

**Date: May 30th, 2018  
Place: Hyderabad**

## CFO Certificate:

**The Board of Directors,  
Cadsys (India) Limited,  
Hyderabad, Telangana,  
India.**

Dear Board Members,

I, N.C. Padmaja, Chief Financial Officer and Whole Time Director of Cadsys (India) Limited, to the best of my knowledge and belief, certify that;

- A) I have reviewed financial statements and the cash flow statement for the financial year ended 2017-18 to the best of my knowledge and belief that.
  - 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B) 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 listed entity's code of conduct.
- C) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. I have not come across any reportable deficiencies in the design or operation of such internal controls to be disclosed to the auditors and the audit committee.
- D) I have indicated to the Auditors and the Audit Committee that:
  - 1) There is no significant changes in internal control over financial reporting during the year;
  - 2) There is no significant changes in accounting policies during the year; and
  - 3) There is no instances of significant fraud of which I have become aware.

**Date: May 30th, 2018  
Place: Hyderabad**

**Sd/-**

**N.C. Padmaja  
Chief Financial Officer**

# Standalone Balance Sheet

for the year ended 31<sup>st</sup> March, 2018

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
		₹	₹
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	2	7,50,25,000	5,40,25,000
(b) Reserves and surplus	3	30,28,42,716	15,72,63,427
<b>2. Non-current liabilities</b>			
(a) Long-term Borrowings	4	21,68,685	11,66,74,171
(c) Other Long-term Liabilities	5	-	1,31,90,959
(d) Long-term provisions	6	52,32,469	36,23,111
<b>3. Current liabilities</b>			
(a) Short-term Borrowings	7	90,11,627	62,36,869
(b) Trade payables	8	21,33,067	3,39,15,068
(c) Other current liabilities	9	2,09,84,743	3,67,10,071
(d) Short-term provisions	10	6,96,008	(7,458)
<b>TOTAL</b>		<b>41,80,94,315</b>	<b>42,16,31,218</b>
<b>B. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	4,87,78,904	2,39,49,873
(ii) Intangible assets	11	1,58,26,112	-
(b) Non Current Investments	12	20,22,59,086	13,72,66,990
(c) Deferred Tax Asset	13	41,14,646	22,23,446
(c) Long-term loans and advances	14	1,13,11,840	1,89,22,532
<b>2. Current assets</b>			
(a) Trade receivables	15	4,49,46,270	6,86,41,695
(b) Cash and cash equivalents	16	7,07,81,839	14,08,56,625
(c) Short-term loans and advances	17	1,03,46,157	35,94,641
(d) Other current assets	18	97,29,459	2,61,75,416
<b>TOTAL</b>		<b>41,80,94,315</b>	<b>42,16,31,218</b>



## Standalone Balance Sheet

for the year ended 31<sup>st</sup> March, 2018

Significant Accounting policies 1  
Notes on Financial Statements 2 to 33

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

**Sd/-**

**CA.G.V.Ramana  
Partner  
(M.No 025995)**

**Date: May 30th, 2018  
Place: Hyderabad**

**For and on behalf of the Board of Directors**

**Sd/-**

**N.C.V. Rangacharya  
Managing Director**

**Sd/-**

**N.C Madhavi  
Director**

**Sd/-**

**B. Shailaja  
Company Secretary**

**Sd/-**

**N.C. Padmaja  
Chief Financial Officer**



## Standalone Statement of Profit & Loss

for the year ended 31<sup>st</sup> March, 2018

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
		₹	₹
Revenue from operations	19	32,01,86,905	27,30,46,537
Other income	20	78,95,933	1,02,99,244
<b>Total Revenue</b>		<b>32,80,82,838</b>	<b>28,33,45,781</b>
<b>Expenses</b>			
Employee Benefit Expense	21	10,36,10,621	11,37,73,260
Other Operating Expenses	22	14,55,46,140	8,97,71,570
General Expenses	23	37,14,995	27,35,918
Financial costs	24	1,61,16,039	1,28,53,455
Depreciation and amortisation expense	11	1,15,32,968	2,47,88,476
<b>Total Expenses</b>		<b>28,05,20,763</b>	<b>24,39,22,679</b>
<b>Profit / (Loss) before tax</b>		<b>4,75,62,075</b>	<b>3,94,23,102</b>
<b>Tax expense:</b>			
(a) Current tax Expense		1,51,47,695	1,81,05,110
(b) Deferred tax Expense / (Income)		(18,91,200)	(54,82,244)
(c) Earlier Year Taxes		(10,09,526)	-
<b>Profit / (Loss) for the Period</b>		<b>3,53,15,106</b>	<b>2,68,00,236</b>
<b>Earning Per Share</b>			
(i) Basic & Diluted EPS		5.47	4.96

Significant Accounting policies 1  
Notes on Financial Statements 2 to 33

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

**For and on behalf of the Board of Directors**

**Sd/-**  
**CA.G.V.Ramana**  
**Partner**  
**(M.No 025995)**

**Date: May 30th, 2018**  
**Place: Hyderabad**

**Sd/-**  
**N.C.V. Rangacharya**  
**Managing Director**

**Sd/-**  
**B. Shailaja**  
**Company Secretary**

**Sd/-**  
**N.C Madhavi**  
**Director**

**Sd/-**  
**N.C. Padmaja**  
**Chief Financial Officer**

## Standalone Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2018

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax as per Statement of Profit and Loss</b>	4,75,62,074	3,94,23,102
Adjustments For :		
Depreciation and Amortisation Expense	1,15,32,968	2,47,88,476
Finance Costs	1,61,16,039	1,28,53,455
Interest Income	(65,35,430)	(94,89,372)
Dividend Income	(4,53,409)	(4,38,437)
Transfer to share capital for bonus shares	-	(4,32,20,000)
<b>Operating Profit before Working Capital Changes</b>	<b>6,82,22,242</b>	<b>2,39,17,224</b>
<b>Adjustments for Changes in Working Capital :</b>		
<b>Adjustments for (Increase) / Decrease in operating assets</b>	<b>76,10,692</b>	-
Long-term loans and advances	2,36,95,425	95,25,367
Trade Receivables	(67,51,516)	(4,11,51,412)
Short Term Loans & Advances	-	(19,61,007)
Other Current Assets	4,10,00,558	(2,06,32,843)
<b>Adjustments for Increase / (Decrease) in operating liabilities</b>	<b>(1,31,90,959)</b>	
Other Long Term Liabilities	16,09,358	1,29,58,865
Long Term Provisions	(3,17,82,001)	9,01,012
Trade Payables	(1,57,25,328)	3,33,62,651
Other Current Liabilities	(5,90,88,930)	60,45,427
<b>Total</b>	<b>(1,80,88,372)</b>	<b>(9,51,940)</b>
<b>Cash from Operations</b>	<b>5,01,33,869</b>	<b>2,29,65,284</b>
Income Tax Paid	(1,34,34,703)	(2,33,97,089)
<b>Net Cash Generated from Operating Activities (A)</b>	<b>3,66,99,166</b>	<b>(4,31,805)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Purchase of Fixed Assets	(5,19,30,191)	(10,15,006)
Payments for Purchase of Mutual Funds	(22,53,409)	(18,00,000)
Payments for Non Current Investments	(6,27,38,687)	(12,48,66,864)
Interest Income	65,35,430	96,21,795
Sale of Assets	-	-
<b>Net Cash Used in Investing Activities (B)</b>	<b>(11,03,86,857)</b>	<b>(11,80,60,075)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Borrowings	(11,45,05,486)	8,86,85,741



# Standalone Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2018

Particulars	As at 31st March, 2018	As at 31st March, 2017
Proceeds from Short Term Borrowings	27,74,758	(1,47,58,112)
Issue of Shares during the year	2,10,00,000	4,32,20,000
Share Premium Generated during the Year	11,65,52,578	-
Dividend Income	4,53,409	-
Finance Costs Paid	(1,61,16,039)	(1,28,53,455)
Dividend and Dividend Distribution Tax Paid	(65,46,315 )	(26,00,929)
<b>Net Cash Generated from Financing Activities (C)</b>	<b>36,12,905</b>	<b>10,16,93,245</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(7,00,74,786)</b>	<b>(1,67,98,635)</b>
Add: Cash & Cash Equivalents As at 31st March, 2017	14,08,56,625	15,76,55,261
<b>Cash &amp; Cash Equivalents As at 31st March, 2018</b>	<b>7,07,81,839</b>	<b>14,08,56,626</b>

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

For and on behalf of the Board of Directors

Sd/-  
**CA.G.V.Ramana**  
Partner  
(M.No 025995)

Date: May 30th, 2018  
Place: Hyderabad

Sd/-  
**N.C.V. Rangacharya**  
Managing Director

Sd/-  
**B. Shailaja**  
Company Secretary

Sd/-  
**N.C Madhavi**  
Director

Sd/-  
**N.C. Padmaja**  
Chief Financial Officer

## 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.
- 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. The leave encashment liability of the company is provided on the cash basis.

#### E) Retirement Benefits to Employees:

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

#### F) Foreign Currency Transactions:

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

#### G) Taxes on Income:

Current tax is determined on the amount of tax payable in respect of taxable income for the year. The deferred tax charge or credit is recognised using current tax rates. Where



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

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. A disclosure for a contingent liability is made when there is

## Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2018

### Note No. 2 Share capital

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	₹		₹	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised Capital</b>				
85,00,000 Number of Equity shares of ₹ 10 each	85,00,000	8,50,00,000	36,50,000	3,65,00,000
<b>(b) Issued, Subscribed and Fully paid up:</b>				
Equity shares of ₹ 10 each	75,02,500	7,50,25,000	54,02,500	5,40,25,000
<b>Total</b>	<b>75,02,500</b>	<b>7,50,25,000</b>	<b>54,02,500</b>	<b>5,40,25,000</b>

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

Name Of the Share Holder	₹		₹	
	Number of shares	% Held	Number of shares	% Held
Rangacharya NCV	18,90,875	25.20	18,90,875	35.00
B.Shailaja	15,02,400	20.02	15,02,400	27.81
Padmaja N.C	12,96,600	17.28	12,96,600	24.00
N.C.Pushpavathi	-	-	-	-
<b>Total</b>	<b>46,89,875</b>	<b>62.50</b>	<b>46,89,875</b>	<b>86.81</b>

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

Particulars	₹		₹	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Equity Shares at the beginning of the year	54,02,500	5,40,25,000	54,02,500	5,40,25,000
Add: issued during the year	21,00,000	2,10,00,000	-	-
Less: Shares Bought back during the year	-	-	-	-
<b>Equity Shares at the end of the year</b>	<b>75,02,500</b>	<b>7,50,25,000</b>	<b>54,02,500</b>	<b>5,40,25,000</b>

### Note No. 3 Reserves and surplus

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	₹		₹	
<b>(a) Security Premium Account</b>	-		-	
Opening balance	8,00,000		8,00,000	
Add: Additions during the year	12,60,00,000		-	

## Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2018

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Less: Issue expenses	(94,47,422)	-
<b>Closing balance (A)</b>	<b>11,73,52,578</b>	<b>8,00,000</b>
<b>(b) General reserve</b>		
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	-	-
<b>Closing balance (B)</b>	<b>1,77,80,000</b>	<b>1,77,80,000</b>
<b>(c) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	13,86,83,427	15,51,03,191
Add: Profit / (Loss) for the year	3,53,15,106	2,68,00,236
Less: Transferred to Share Capital against fully paid Bonus Shares	-	(4,32,20,000)
Add: Adjustment of Electrical Equipment as per FA Statement	2,57,920	-
Less: Dividend for 2016-17	(54,02,500)	-
Less: Dividend Distribution Tax and interest thereon	(11,43,815)	-
Less: Transfer to General Reserve	-	-
<b>Closing balance (C)</b>	<b>16,77,10,138</b>	<b>13,86,83,427</b>
<b>Total(A+B+C)</b>	<b>30,28,42,716</b>	<b>15,72,63,427</b>

### Note No. 4 Long Term Borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Term Loans</b>		
<b>Secured</b>		
From Banks	-	-
Canra Bank Loan A/c Against F.Ds	-	10,51,19,094
<b>Unsecured</b>		
From Banks	-	-
Standard Chartered Bank	48,930	-
<b>Long term maturities of finance lease obligations</b>		
Hewlet Packard Financial Services (India) Pvt Ltd	-	13,03,289
Vehicle Loan -Daimler Financial Services India Ltd	20,96,752	27,18,736
<b>Unsecured</b>		
N.C.V. Rangacharya	23,003	49,40,000

## Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2018

Particulars	As at 31st March, 2018	As at 31st March, 2017
NC Padmaja	-	25,93,052
<b>Total</b>	<b>21,68,685</b>	<b>11,66,74,171</b>

In respect of Fixed Assets acquired on finance lease. The minimum lease rentals outstanding as on 31st March, 2018 is as follows:

Particulars	Principle outstanding		Interest outstanding	
	2017-18	2016-17	2017-18	2016-17
Below 1 year	19,22,997	33,88,153	2,81,427	6,01,112
Above 1 year but less than 3 years	20,96,752	40,22,025	3,08,940	2,81,425
<b>Total</b>	<b>40,19,749</b>	<b>74,10,178</b>	<b>5,90,367</b>	<b>8,82,537</b>

### Note No. 5 Other Long -term Liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
<b>Advance from Customers</b>		
Apex Advanced Technology LLC-Export	-	1,31,90,959
<b>Total</b>	<b>-</b>	<b>1,31,90,959</b>

### Note No. 6 Long -term Provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
<b>Provision for Employee retirement benefits</b>		
Provision for Gratuity	52,32,469	36,23,111
<b>Total</b>	<b>52,32,469</b>	<b>36,23,111</b>

### Note No. 7 Short Term Borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
<b>Loans Repayable on Demand</b>		
From Banks	-	-
<b>Secured</b>		
Over Draft from Canara Bank*	90,11,627	62,36,869
<b>Total</b>	<b>90,11,627</b>	<b>62,36,869</b>

## Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2018

### Of the above

\* Over Draft limit of ₹ 400 lacs Secured by way of Hypothecation of Equipment and floating charge on movable assets and personal guarantee given by the Managing Director, and Executive Director and Director of the Company & 'Collateral Security' of Residential Plots admeasuring 2,000 Sq Yds situated at Thimmayapalli, Keesara Mandal R.R. Dist, and Open Plots admeasuring 5,230 Sq.Yds situated at Ghanpur Village, Toopran Mandal, Medak District and open plot No.11 admeasuring 773 Sq Yds and Open Plots admeasuring 7,465 Sq Yds at Ghanpur Village, Toopran Mandal, Medak Dist. and open Plots admeasuring 2,311 Sq Yds situated at Yawapoor Village, Toopran Mandal, Medak District.

### Note No. 8 Trade payables

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Dues to Micro, Small and Medium Micro Enterprises	-	-
Trade Payables	21,33,067	3,39,15,068
<b>Total</b>	<b>21,33,067</b>	<b>3,39,15,068</b>

### Note No. 9 Other current liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Current Maturities of Long Term Debt	13,01,015	83,03,521
Current Maturities of Finance Lease Obligations	6,21,982	33,88,153
<b>Employee Benefits Payable</b>		
Salaries Payable	67,57,249	80,89,875
Director Remuneration Payable	3,12,558	77,610
Bonus Payable	31,03,200	35,06,032
Employee Benefits Payable	-	34,005
Provident Fund Payable	5,19,531	5,69,217
Employee Recreation Fund	3,93,002	4,00,902
ESI Payable	1,44,547	1,77,937
Conveyance Payable	-	4,000
CSR Payable	12,76,352	-
<b>Statutory Liabilities Payable</b>		
TDS Payable	49,11,298	18,38,672
Service tax payable	-	75,62,674
Professional Tax Payable	49,000	16,150
<b>Other Payables</b>		
Electricity Charges Payable	5,24,786	8,86,639
Rent Payable	6,44,412	13,88,030
Audit Fee Payable	3,60,000	3,15,000



## Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2018

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Expenses Payable	18,847	21,671
Telephone Charges Payable	9,864	24,450
Maintenance Charges Payable	-	28,227
Secretarial Audit Fee Payable	-	6,900
other liabilities	37,100	70,406
<b>Total</b>	<b>2,09,84,743</b>	<b>3,67,10,071</b>

### Note No. 10 Short-term provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Provision for Income Tax (Net)	6,96,008	(7,458)
<b>Total</b>	<b>6,96,008</b>	<b>(7,458)</b>

### Note No. 12 Non Current Investments

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
<b>1. Investment in Equity Instruments (At Cost)</b>		
Subsidiary Companies (Unquoted)		
a) Investment in LLC Cadsys Technologies LLC USA	33,61,259	33,61,259
b) Investment InShares-Apex Engineers (India) Pvt Ltd	80,000	80,000
c) Apex Advanced Technology LLC, USA	18,90,88,560	12,63,89,073
d) Investment in Cadsys Technologies LLP	88,200	49,000
<b>2. Investment in Mutual Funds</b>		
Canara Bank Robeco Mutual Fund (Current Year-No of Units - 4,97,323.675 NAV per Unit ₹19.3859/-) (Previous Year-No of Units - 4,02,294.612 NAV per Unit ₹18.3638/-)	96,41,067	73,87,658
<b>Total</b>	<b>20,22,59,086</b>	<b>13,72,66,990</b>



# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2018

## Note No. 13 Deferred Tax Liability

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
<b>Deferred tax liability</b>		
Related to fixed assets	(18,17,961)	1,33,663
<b>Deferred tax assets</b>		
Disallowances under the Income tax act' 1961	(22,96,685)	(23,57,109)
<b>Deferred tax Liability (Net)</b>	<b>(41,14,646)</b>	<b>(22,23,446)</b>

## Note No. 14 Long-term loans and advances

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
(a) Capital advances		
Unsecured, considered good	-	-
(b) Security deposits		
Rent Deposits	38,47,992	57,10,836
Electricity Deposits	12,59,021	12,59,021
Other Deposits	61,38,901	16,44,641
(c) Balances with government authorities		
Unsecured, considered good	-	28,83,264
(d) Other loans and advances		
Unsecured Considered Good	-	-
Advance Tax and TDS	-	-
Apex Engineers (India) Pvt Ltd	27,241	-
APIIC Limited	38,685	55,87,419
Capital Advance paid to Apex Engineers (India) Pvt. Ltd	-	18,37,351
<b>Total</b>	<b>1,13,11,840</b>	<b>1,89,22,532</b>

## Note No. 15 Trade receivables

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Trade receivables		
Unsecured, considered good	-	-
More than six months	-	-
Others	4,49,46,270	6,86,41,695
<b>Total</b>	<b>4,49,46,270</b>	<b>6,86,41,695</b>

## Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2018

### Note No. 16 Cash and cash equivalents

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
(a) Cash on hand	20,323	12,805
(b) Balances with banks	-	-
(i) In current accounts	16,23,882	31,65,880
(ii) In EEFC accounts	-	-
(iii) In Fixed deposit accounts (period of maturity within one year)	6,91,37,634	13,76,77,939
<b>Total</b>	<b>7,07,81,839</b>	<b>14,08,56,625</b>

### Note No. 17 Short-term loans and advances

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
(a) Loans and advances to employees	3,40,054	37,226
(b) Others		
Masthishk Support Group	-	10,00,000
Other Advances	3,35,886	14,97,219
Input GST	76,51,461	-
IT Refund receivables	20,18,756	10,60,196
<b>Total</b>	<b>1,03,46,157</b>	<b>35,94,641</b>

### Note No. 18 Other current assets

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Work In Progress	-	1,62,09,650
Interest Accrued On Fixed Deposits	23,90,530	35,02,962
Interest Receivable From APSEB on ACD	33,864	33,864
Prepaid Expenses	66,99,337	58,73,545
Other Receivables	6,05,728	5,55,395
<b>Total</b>	<b>97,29,459</b>	<b>2,61,75,416</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2018

## Note No.19. Revenue from Operations

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
<b>Revenue from operations</b>		
Domestic Revenue	10,68,85,085	3,15,52,759
Export Income	21,33,01,820	24,14,93,778
<b>Total</b>	<b>32,01,86,905</b>	<b>27,30,46,537</b>

## Note No. 20. Other income

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Interest Income	65,35,430	94,89,372
Miscellaneous income	9,07,094	3,71,435
Dividend from Mutual Funds	4,53,409	4,38,437
<b>Total</b>	<b>78,95,933</b>	<b>1,02,99,244</b>

## Note No. 21. Employee Benefit Expense

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Salaries and wages	8,47,19,117	9,48,90,823
Remuneration to Directors	96,00,000	96,00,000
Contributions to provident and other funds	57,37,814	58,50,433
Staff welfare expenses	11,12,266	14,15,381
Gratuity	24,41,424	20,16,623
<b>Total</b>	<b>10,36,10,621</b>	<b>11,37,73,260</b>

## Note No. 22. Other Operating Expenses

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
CSR Expenses	22,76,352	-
Travelling and Conveyance	12,60,311	7,42,916
Internet Charges	16,50,983	17,62,934
Job work charges	8,50,04,000	3,80,95,652
Debit Balances written off	3,22,977	3,003

## Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2018

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Investments written off	-	1,62,34,995
Rates & Taxes	7,37,454	22,36,897
Rent	78,14,242	1,14,16,707
Bank charges	1,74,097	5,64,256
Professional & Consultancy Charges	2,54,09,435	14,38,397
Postage & Courier Charges	28,903	17,549
Electricity Charges	60,43,163	74,64,360
Loss on Foreign Exchange Fluctuation	13,46,930	18,90,453
Insurance	54,95,786	4,38,743
Printing & Stationery	2,44,219	4,07,219
Payments to Auditor as :		
(a) Statutory Audit Fee	2,15,040	1,85,472
(b) Tax Audit Fee	1,84,960	1,59,528
Repairs & Maintenance - Others	12,18,329	15,35,028
Security Charges	7,40,000	9,60,000
Subscription & Other Charges	12,26,090	5,22,834
STPI Charges	2,58,750	2,87,500
Telephone Charges	2,01,864	2,24,911
Interest On TDS	2,31,338	1,83,051
Interest on Service tax and GST	4,62,800	-
PF and Service tax Arrears	10,62,686	-
Penalties on Service Tax and TDS	1,96,312	-
Advertisement and Business Promotion	79,200	75,000
Prior Period Expenses	-	1,02,733
Computer Hire Charges	3,12,703	2,33,000
Computer Consumables	3,03,970	5,89,169
Foreign Travel Expenses	10,43,247	19,99,263
<b>Total</b>	<b>14,55,46,140</b>	<b>8,97,71,570</b>

### Note No. 23. General Expenses

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Books & Periodicals	10,145	10,259
Domain Charges	95,613	23,640



## Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2018

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Donations	60,000	25,100
Office Expenses	9,53,642	5,04,280
Office Maintenance	25,95,596	21,66,814
Recruitment Charges	-	5,825
<b>Total</b>	<b>37,14,995</b>	<b>27,35,918</b>

### Note No. 24. Financial costs

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Interest expense on:		
- Interest on Finance Lease Loans	2,82,743	8,18,611
- Other Financial Charges	6,48,914	-
- Interest On Term Loan & Working Capital Loans	26,52,051	28,26,183
- Interest on Unsecured Loans	5,64,697	29,17,467
- Interest on Vehicle Loan	3,18,472	3,72,100
- Interest on Loan-Against F.D's	1,16,49,162	59,19,095
<b>Total</b>	<b>1,61,16,039</b>	<b>1,28,53,455</b>

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

(i) Estimated amount of unexecuted capital contracts:

Sr.No	Particulars	2017-18	2016-17
1.	Unexecuted Capital Contracts	1,67,00,050	Nil

(ii) Contingent liabilities:

Sr.No	Particulars	2017-18	2016-17
1.	Outstanding Guarantees	2,13,141	1,72,485

### Note No. 26. Adjusted Earnings per share:

Particulars	2017-18	2016-17
Particulars	2017-18	2016-17
Net Profit for the Year	3,53,15,106	2,68,00,236
Amount Available for Equity Share holders	3,53,15,106	2,68,00,236

Particulars	2017-18	2016-17
Weighted Average no. of Equity shares	64,52,500	54,02,500
Basic and Diluted Earnings per Equity Share	5.47	4.96
Face Value of Share	₹10	₹10

**\* Reconciliation of Weighted average no. of shares**

Particulars	Shares	Weight	Product
Shares Outstanding as on 01/04/2017	5,402,500	1	5,402,500
Issued During the Year	2,100,000	1	1,050,000
		<b>Total</b>	<b>6,452,500</b>

**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 2018, below mentioned statutory contributions.

Description	2017-18	2016-17
Provident Fund	34,49,125	33,38,249
E.S.I	16,59,458	16,15,669
<b>Total</b>	<b>51,08,583</b>	<b>49,53,918</b>

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

Results of Valuation	2017-18	2016-17
	Amount ₹	Amount ₹
PV of Past Service Benefit	82,29,040	42,09,349
Current Service Cost	11,61,889	4,80,476
Total Service Gratuity	5,69,17,746	2,92,17,113
Accrued Gratuity	1,10,77,619	73,77,936
LCSA	4,58,40,127	2,18,39,177
LC Premium	69,382	45,007
Service Tax & GST	11,002	6,526
Fund Value as on Renewal Date	42,38,844	33,08,337
Additional Contribution for existing fund	42,33,740	9,01,012
Current Service Cost	9,18,345	4,80,476
Total Amount Payable	52,32,469	14,33,021
<b>Actuarial Assumptions</b>		
Mortality Rate	LIC(2006-08) ultimate	LIC(2006-08) ultimate

Results of Valuation	2017-18	2016-17
	Amount ₹	Amount ₹
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age
Discount rate	8% p.a	8% p.a
Salary Escalation	6%	4%

**Note No. 28 Foreign exchange inflow and outflow:**

## a) CIF Value of Foreign Currency Inflow:

Particulars	2017-18	2016-17
Software Development	21,33,01,820	24,14,93,778
<b>Total</b>	<b>21,33,01,820</b>	<b>24,14,93,778</b>

## b) CIF Value of Foreign Currency Inflow:

Particulars	2017-18	2016-17
Travelling Expenses	10,43,247	19,99,263
<b>Total</b>	<b>10,43,247</b>	<b>19,99,263</b>

**Note No. 29 Related Party Transactions:**

## a) Name of the related parties &amp; relationship:

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

## 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	1. Receiving of Services. 2. Unsecured Loan Received	1. Receiving of Services. 2. Unsecured Loan Received	1. Providing of Services.	1. Providing of Services.	1. Receiving of Services.	1. Providing of Services	Receiving of Services as Company Secretary & Compliance officer
Volume of transactions either as an amount or as appropriate proportion	1. Managerial Remuneration of ₹ 60,00,000/- (₹ 60,00,000/-)* 2. Loan Received of ₹ 1,40,000/- (₹ 27,00,000) (₹ 27,00,000/-)* 3. Loan Repaid of ₹ 27,10,049/- (₹ 1,06,948/-)*	1. Managerial Remuneration of ₹ 36,00,000/- (₹ 36,00,000/-)* 2. Loan Received of ₹ 5,63,847/- (₹ 50,00,000/-)* 3. Loan Repaid of ₹ 55,03,847/-	NIL	1. Providing of Services of ₹ 18,21,88,046/- (₹ 9,35,24,438/-)*	1. Receiving of Services of ₹ 11,56,64,000/- (₹ 98,00,000/-)*	NIL	Remuneration Paid ₹ 3,60,000/-
Any other elements of the related party transactions	NIL	NIL	Investment of (₹ 33,61,259/-)*	Investment of ₹ 18,90,88,560/- (₹ 12,63,89,073/-)*	NIL	Investment of ₹ 88,200/- (₹ 49,000/-)*	NIL
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	1. Loan amount outstanding of ₹ 23,003/- (₹ 25,93,052/-)* 2. Managerial Remuneration Payable of ₹ 1,05,180/- (Nil)*	1. Loan amount outstanding of ₹ Nil (₹ 49,40,000/-)* 2. Managerial Remuneration Payable of ₹ 2,07,390/- (₹ 77,610/-)*	Amount receivable against export of services of (₹ 8,59,919/-)*	Amount receivable against export of services of ₹ 2,34,62,259/- (₹ 2,08,49,306/-)*	Amount Receivable of ₹ 27,240/- (₹ 18,37,350/-)*	NIL	NIL
Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Note: \* mark indicated figures related to previous year figures



30. There were no overdue amounts exceeding ₹1,00,000/- each, which are outstanding for more than 30 days payable to Small Scale Industrial Undertakings as on 31st March, 2018.
31. Paise have been rounded off to the nearest rupees.
32. Previous year figures have been regrouped, recast and rearranged wherever necessary to correspond with the Current Year's Figures. Previous Year's Figures for Cash Flow Statement are drawn as Cash Flow Statement for the year ended 31st March, 2018 under Companies Act, 2013.
33. Other Particulars: Nil

**As per our report of even date for  
NARVEN ASSOCIATES  
Chartered Accountants  
Firm Registration Number: 0059055**

**For and on behalf of the Board of Directors**

**Sd/-**

**CA.G.V.Ramana  
Partner  
(M.No 025995)**

**Date: May 30th, 2018  
Place: Hyderabad**

**Sd/-**

**N.C.V. Rangacharya  
Managing Director**

**Sd/-**

**B. Shailaja  
Company Secretary**

**Sd/-**

**N.C Madhavi  
Director**

**Sd/-**

**N.C. Padmaja  
Chief Financial Officer**

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March, 2018

## Note No.11 Fixed Assets

		GROSS BLOCK				DEPRECIATION				NET BLOCK				
Sr. No	Description	" As at 01-04-2017 "	" Additions during the year "	" Deletions during the year "	" As on 31-03-18 "	Up to 01.04.2017	" Deletions during the year "	For the year ended 31/03/2018	Total	Adjusted against Reserves	" As on 31-03-2018 "	" As on 31-03-2017 "	Useful Life in Yrs	
		₹	₹	₹	₹	₹	₹				₹	₹		
	Tangible Fixed Assets													
1	Furniture & Fittings	1,71,84,786	-	-	1,71,84,786	1,38,04,801	-	6,37,648	6,37,648	-	1,44,42,449	27,42,345	3379,992	10
2	Computer	7,62,98,592	1,15,000	-	7,64,13,592	6,78,44,068	-	76,58,340	76,58,340	-	7,55,02,408	9,11,184	84,54,524	3
3	Servers	40,83,654	-	-	40,83,654	24,87,639	-	6,57,171	6,57,171	-	31,44,810	9,38,844	15,96,015	6
4	Electrical Equipments	50,29,488	-	-	50,29,488	50,22,272	-	63,985	63,985	2,57,920	48,28,337	2,01,151	7,216	10
5	Office Equipement	61,59,598	1,16,957	-	62,76,555	47,99,925	-	4,91,310	4,91,310	-	52,91,235	9,85,320	13,59,673	5
6	Vehicle	62,96,477	-	-	62,96,477	17,42,307	-	7,87,060	7,87,060	-	25,29,367	37,67,110	45,54,170	8
7	Air conditioner	24,99,073	-	-	24,99,073	19,80,435	-	75,326	75,326	-	20,55,761	4,43,312	5,18,638	10
8	Generator	33,94,362	-	-	33,94,362	23,13,237	-	1,73,904	1,73,904	-	24,87,141	9,07,221	10,81,125	10
9	U.P.S	39,43,590	-	-	39,43,590	25,44,291	-	5,47,531	5,47,531	-	30,91,822	8,51,768	13,99,299	5
10	Communication Equipment	48,85,586	12,499	-	48,98,085	40,07,231	-	4,23,318	4,23,318	-	44,30,549	4,67,536	8,78,355	5
11	Land	7,20,865	3,58,42,248	-	3,65,63,113	-	-	-	-	-	-	3,65,63,113	7,20,865	-
	Total	13,04,96,071	3,60,86,704	-	16,65,82,775	10,65,46,206	-	1,15,15,593	1,15,15,593	2,57,920	11,78,03,879	4,87,78,904	2,39,49,873	
	Intangible Fixed Assets													
13	Software	1,99,92,022	43,487	-	2,00,35,509	1,99,92,022	-	17,375	17,375	-	2,00,09,397	26,112	-	1
14	Capital-work in progress Product development under progress	-	1,58,00,000	-	1,58,00,000	-	-	-	-	-	-	1,58,00,000	-	
	Total	1,99,92,022	1,58,43,487	-	3,58,35,509	1,99,92,022	-	17,375	17,375	-	2,00,09,397	1,58,26,112	-	



# Independent Auditor's Report

To the Members of Cadsys (India) Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of CADSYS (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018 and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the ac-

counting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, the statement of profit and loss account & Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid Balance Sheet and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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

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controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and

- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) the Company has no pending litigations which have impact on its financial position in its financial statements
  - ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts and
  - iii) There have been no 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/-**

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

**Date: May 30th, 2018**  
**Place: Hyderabad**

## Annexure -A

To The Audit Report- Cadsys (India) Limited

- i) The annexure referred to in Independent Auditor's Report to the members of the company on the financial statements for the year ended 31 March, 2018 we report that:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As per the information and explanations given to us the fixed assets of the company have been physically verified by the management during the year in regular intervals. In our opinion the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the company and the nature of its assets.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the company.
- ii) In our opinion and according to the information and explanations given to us, The Company is a service company primarily rendering IT consulting and Enabled services. Accordingly, the company does not hold inventories. Accordingly matters specified in clause(ii) of the order not applicable to the company.
- iii) During the year the Company has not granted any loans, secured or unsecured to Companies, firms or other parties listed in the register maintained Under Section 189 of the Companies Act. Consequently clauses (iii)(a), (iii)(b) and (iii)(c) of the companies (Auditor's Report) order, 2016 are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v) The company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company. Consequently no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank Of India or any court or any other tribunal, on compliance or non-compliance of the same. Accordingly, clause (v) of the Order is not applicable.
- vi) In respect of the company, the Central Government of India has not prescribed for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act. In our opinion, these provisions are not applicable to the company since the company is under implementation stage.
- vii) According to the information and explanations given to us, and on the basis of our examination of the books of accounts, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including Employees' State Insurance,
- viii) Provident Fund, Income-tax, Sales-tax, Service-tax, Customs duty, Excise duty, GST, Cess and any other material statutory dues as applicable to it. According to the information and explanations given to us, no undisputed or disputed amounts payable in respect of income tax, sales tax, service tax, customs duty, excise duty, GST and cess which have not been deposited on account of any dispute.
- ix) During the year the company has not defaulted in loan repayments. The company has not issued any debentures. Accordingly, clause (viii) of the Order is not applicable.
- x) According to the information and explanation given to us, and on the basis of our examination of the books of accounts, the company has raised 21,00,000 equity of ₹10 each with premium of ₹70 per share and were applied for the purpose for which those are raised.
- xi) According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xii) According to the information and explanations given to us, the company has paid /provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- xiii) In our opinion and according to the information and explanations given to us, the company is not in Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiv) According to the information and explanations given to us, and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial

statements as required by the applicable accounting standards.

- xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xvi) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- xvii) 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: 059055**

**Sd/-**

**Date: May 30th, 2018**  
**Place: Hyderabad**

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

## 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 CADSYS (INDIA) LIMITED ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a

material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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: May 30th, 2018**  
**Place: Hyderabad**

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





# Consolidated Balance Sheet

for the year ended 31<sup>st</sup> March, 2018

Sr. No	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
			₹	₹
<b>A.</b>	<b>EQUITY AND LIABILITIES</b>			
1.	<b>Shareholders' funds</b>			
	(a) Share capital	2	7,50,25,000	5,40,25,000
	(b) Reserves and surplus	3	42,08,80,812	23,57,12,876
	(C)Minority Interest		(13,94,277)	-
2.	<b>Non-current liabilities</b>			
	(a) Long-term Borrowings	4	5,01,23,935	16,66,95,133
	(b) Other Long-term Liabilities		-	-
	(c) Long -term provisions	6	59,44,113	44,95,730
3.	<b>Current liabilities</b>			
	(a) Short-term Borrowings	7	90,11,627	72,33,120
	(b) Trade payables	8	1,41,39,762	5,47,97,652
	(c) Other current liabilities	9	2,50,64,713	2,66,30,290
	(d) Short-term provisions	10	24,22,966	(1,10,227)
	<b>TOTAL</b>		<b>60,12,18,651</b>	<b>54,94,79,574</b>
<b>B.</b>	<b>ASSETS</b>			
1.	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	11	4,90,75,786	2,41,00,348
	(ii) Intangible assets	11	24,36,58,981	12,31,05,207
	(iii)Goodwill on Consolidation		86,35,534	86,35,534
	(b) Deferred Tax Assests (Net)	5	44,85,280	28,58,540

Sr. No	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
			₹	₹
	(c) Non Current Investments	12	97,29,067	74,36,658
	(d) Long-term loans and advances	13	1,27,95,544	1,54,72,789
2.	Other Non-current Assests	14	3,22,03,845	1,49,85,016
3.	<b>Current assets</b>			
	(a) Trade receivables	15	8,37,87,853	9,32,65,565
	(b) Cash and cash equivalents	16	8,60,15,206	21,75,00,796
	(c) Short-term loans and advances	17	1,35,41,372	49,42,223
	(d) Other current assets	18	5,72,90,182	3,71,76,898
	<b>TOTAL</b>		<b>60,12,18,651</b>	<b>54,94,79,574</b>

Significant Accounting policies  
Notes on Financial Statements

1  
2 to 30

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

**Sd/-**

**CA. G.V. Ramana  
Partner  
(M.No 025995)**

**Date: May 30th, 2018  
Place: Hyderabad**

**For and on behalf of the Board of Directors**

**Sd/-**

**N.C.V. Rangacharya  
Managing Director**

**Sd/-**

**B. Shailaja  
Company Secretary**

**Sd/-**

**N.C Madhavi  
Director**

**Sd/-**

**N.C. Padmaja  
Chief Financial Officer**

# Consolidated Profit & Loss Statement

for the year ended 31<sup>st</sup> March, 2018

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
		₹	₹
Revenue from operations	19	44,75,58,759	42,57,47,644
Other income	20	79,28,966	1,06,11,601
<b>Total Revenue</b>		<b>45,54,87,725</b>	<b>43,63,59,245</b>
<b>Expenses</b>			
Employee Benefit Expense	21	10,68,92,082	15,58,75,672
Other Operating Expenses	22	20,28,08,479	11,13,15,884
Financial costs	23	1,93,63,042	1,57,37,041
Depreciation and amortization expense	11	3,77,13,257	3,17,46,881
<b>Total Expenses</b>		<b>36,67,76,859</b>	<b>31,46,75,478</b>
<b>Profit / (Loss) before tax</b>		<b>8,87,10,865</b>	<b>12,16,83,767</b>
<b>Tax expense:</b>			
(a) Current tax Expense		1,68,74,653	(1,81,05,110)
(b) Deferred tax Expense / (Income)		(16,26,740)	61,17,338
(c) Earlier Year Taxes		(10,09,526)	-
<b>Profit / (Loss) after tax before Minority Interests</b>		<b>7,44,72,478</b>	<b>10,96,95,994</b>
Less : Minority Interests		4,96,087	(2,16,959)
<b>Profit for the year</b>		<b>7,39,76,391</b>	<b>10,94,79,035</b>
<b>Earning Per Share</b>			
(i) Basic and Diluted EPS		11.46	20.26

Significant Accounting policies  
Notes on Financial Statements

1  
2 to 30

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

Sd/-

**CA.G.V.Ramana**  
**Partner**  
**(M.No 025995)**

**Date: May 30th, 2018**  
**Place: Hyderabad**

**For and on behalf of the Board of Directors**

Sd/-

**N.C.V. Rangacharya**  
**Managing Director**

Sd/-

**B. Shailaja**  
**Company Secretary**

Sd/-

**N.C Madhavi**  
**Director**

Sd/-

**N.C. Padmaja**  
**Chief Financial Officer**

## Consolidated Cash Flow Statement

### for the year ended 31<sup>st</sup> March, 2018

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax as per Statement of Profit and Loss</b>	8,87,10,865	12,16,83,767
<i>Adjustments For :</i>		
Depreciation and Amortization Expense	3,77,13,257	3,17,46,881
Finance Costs	1,93,63,042	1,57,37,041
Interest Income	66,09,753	(95,53,000)
Dividend Income	-	(4,38,000)
Debit Balances Written Off	3,22,977	1,01,86,000
<b>Operating Profit before Working Capital Changes</b>	15,27,19,894	16,93,62,689
<b>Adjustments for Changes in Working Capital :</b>		
<b>Adjustments for (Increase) / Decrease in operating assets</b>		
Long-term loans and advances	26,77,245	15,67,000
Trade Receivables	91,54,735	(5,86,00,000)
Short Term Loans & Advances	(85,99,149)	(1,00,69,000)
Other Current Assets	(2,01,13,284)	(4,07,68,000)
<b>Adjustments for Increase / (Decrease) in operating liabilities</b>		
Other Current Liabilities	(15,65,577)	(2,69,000)
Long Term Provisions	14,48,383	17,74,000
Trade Payables	(4,06,57,890)	5,01,93,148
Other Long Term Liabilities	-	(2,17,57,000)
Other Non-Current Assets	(1,72,18,829)	
Short Term Provision	25,33,193	(79,96,000)
<b>Cash from Operations</b>	8,03,78,720	8,34,37,837
Income Tax Paid	(1,68,74,653)	(1,81,05,000)
<b>Net Cash Generated from Operating Activities (A)</b>	<b>6,35,04,067</b>	<b>6,53,32,837</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Purchase of Fixed Assets & Goodwill others	(18,29,84,549)	(14,02,18,000)
Payments for Purchase of Mutual Funds	(22,92,409)	(22,87,000)
Interest Income	(66,09,753)	95,53,000
Income/Dividend from long term investments	-	4,38,000
Change in Minority Interest	(13,94,277)	(1,42,000)
<b>Net Cash Used in Investing Activities (B)</b>	<b>(19,32,80,987)</b>	<b>(13,26,56,000)</b>

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue Of Share capital	2,10,00,000	-
Security Premium Account	11,65,52,578	-
Proceeds from Long Term Borrowings	(11,65,71,198)	14,89,98,000
<b>Repayment Shortterm Borrowings</b>	<b>17,78,507</b>	<b>(1,37,62,000)</b>
Finance Costs Paid	(1,93,63,042)	(1,57,37,041)
<b>Dividend and Dividend Distribution Tax Paid</b>	<b>(65,02,322)</b>	
Net Cash Generated from Financing Activities (C)	(31,05,477)	11,94,98,959
<b>Effect of Exchange Differences on translation of foreign currency cash and Cash Equivalents</b>	<b>13,96,808</b>	<b>15,99,000</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(13,14,85,589)</b>	<b>5,37,74,796</b>
<b>Add: Cash &amp; Cash Equivalents As at 31st March,2017</b>	<b>21,75,00,796</b>	<b>16,37,27,000</b>
<b>Cash &amp; Cash Equivalents As at 31st March,2018</b>	<b>8,60,15,206</b>	<b>21,75,00,796</b>

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

For and on behalf of the Board of Directors

Sd/-

Sd/-

Sd/-

CA.G.V.Ramana  
Partner  
(M.No 025995)

N.C.V. Rangacharya  
Managing Director

N.C Madhavi  
Director

Sd/-

Sd/-

Date: May 30th, 2018  
Place: Hyderabad

B. Shailaja  
Company Secretary

N.C. Padmaja  
Chief Financial Officer

## Significant Accounting Policies

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

### I) Basis of preparation of consolidated financial statements

The Financial Statements have been prepared and presented in accordance with generally accepted accounting principles in India ("Indian GAAP"). Indian GAAP comprises Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 as adopted consistently by the Company.

### II) Principles of Consolidation

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

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

- The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un realized profits or losses as per Accounting Standard 21-"Consolidated Financial Statements" & "Accounting for Investments in Subsidiaries in Separate Financial Statements".
- Since Cadsys (India) Limited is holding shares of Cadsys Technologies LLC USA from the beginning of its incorporation hence neither goodwill nor capital reserve will appear on consolidation.
- The consolidated financial statements are presented, to the extent possible, in the format as that adopted by the parent company for its separate financial statements. However Audited Financials of subsidiaries has not been received till the date of consolidation except in the case of Apex Engineers (India) Private Limited.

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 inconformity 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, 2018

#### Note No. 2 Share capital

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised Capital</b>				
Equity shares of ₹ 10 each with voting rights 85,00,000 Nos of shares including 1,50,000 shares of merged company cogent has been considered( P.Y. 83,50,000 shares of ₹ 10 each related to cadsys only)	85,00,000	8,50,00,000	85,00,000	8,50,00,000
<b>(b) Issued ,Subscribed and Fully paid up:</b>				
Equity shares of ₹ 10 each with voting rights	-	-	-	-
(Bonus Shares of ₹ 10 each issued in 4:1 ratio)	75,02,500	7,50,25,000	54,02,500	5,40,25,000
<b>Total</b>	<b>75,02,500</b>	<b>7,50,25,000</b>	<b>54,02,500</b>	<b>5,40,25,000</b>

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

Name Of the Share Holder	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares	% Held	Number of shares	% Held
Padmaja N.C	12,96,600	17.28	12,96,600	24.00
Rangacharya N.C.V.	18,90,875	25.20	18,90,875	35.00
B. Shailaja	15,02,400	20.02	15,02,400	27.81
<b>Total</b>	<b>46,89,875</b>	<b>62.50</b>	<b>46,89,875</b>	<b>86.81</b>

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

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Equity Shares at the beginning of the year	54,02,500	5,40,25,000	10,80,500	1,08,05,000
Add: Bonus Shares issued during the year	-	-	43,22,000	4,32,20,000
Add: Shares issued during the year	21,00,000	2,10,00,000	-	-
Less: Shares Bought back during the year	-	-	-	-
Equity Shares at the end of the year	75,02,500	7,50,25,000	54,02,500	5,40,25,000

## Notes to Consolidated Financial Statements

### for the year ended 31st March, 2018

#### Note No. 3 Reserves and surplus

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
<b>(a) Security Premium Account</b>		
Opening balance	8,00,000	8,00,000
Add: Additions during the year	12,60,00,000	-
Less: Share Issue Expenses	(94,47,422)	-
Closing balance (A)	11,73,52,578	8,00,000
<b>(b) General reserve</b>		
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	-	-
<b>Closing balance (B)</b>	<b>1,77,80,000</b>	<b>1,77,80,000</b>
<b>(c) Capital reserve on Consolidation</b>	-	-
Excess of Net assets acquired over investment made		
<b>Closing balance (C)</b>	-	-
<b>(d) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	21,39,60,442	14,95,13,654
Less: Transferred to Share Capital against fully paid Bonus Shares	-	(4,32,20,000)
Add: Profit / (Loss) for the year	7,39,76,391	10,94,79,035
Less: Proposed Dividend	(54,02,500)	-
Less: Dividend Distribution Tax	(10,99,822)	-
Less: Minority Interest	18,90,364	21,16,209
Add: Adjusted of fixed assests	2,57,920	-
Closing balance (D)	28,37,32,935	21,39,60,442
<b>(e) Foregin Currency Translation Reserve</b>	<b>20,15,299</b>	<b>31,72,434</b>
<b>Closing balance (E)</b>	<b>20,15,299</b>	<b>31,72,434</b>
<b>Total(A+B+C+D+E)</b>	<b>42,08,80,812</b>	<b>23,57,12,876</b>

\* Net loss related to Minortiy shareholders borne by majority share holders

# Notes to Consolidated Financial Statements

## for the year ended 31st March, 2018

### Note No. 4 Long Term Borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Term Loans</b>		
<b>Secured</b>		
From Banks	-	-
Canara Bank Loan A/c Against FD's	-	10,51,19,094
<b>Unsecured</b>		
From Banks	-	-
Standard Chartered Bank	-	14,31,227
Bajaj Finance	-	9,84,289
Capital First Ltd	-	10,82,523
Columbia Inc	<b>3,25,83,930</b>	3,24,19,300
HDFC Bank	-	7,04,232
IpowerFour Technologies Pvt. Ltd	-	13,52,209
Magma Fincorp Ltd	-	9,71,561
N.C. Padmaja	<b>50,00,000</b>	49,40,000
NCV Rangacharya	<b>64,49,753</b>	45,09,543
Ratnakar Bank Ltd - ICD	-	9,55,077
Religare Finvest Ltd	-	8,22,403
Loans from related Parties	39,93,500	39,93,500
Hewlet Packard Financial Services (India) Pvt Ltd	-	43,35,023
Vehicle Loan -Tata Capital	-	34,590
Vehicle Loan - Daimler	20,96,752	30,40,564
<b>Total</b>	<b>5,01,23,935</b>	<b>16,66,95,133</b>

### Note No. 5 Deferred Tax Assests (Net)

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Deferred tax liability</b>		
Related to fixed assets	(6,35,094)	1,33,663
<b>Deferred tax assets</b>		
Disallowances under the Income tax act' 1961	(38,50,186)	(29,92,203)
<b>Deferred tax Liability (Net)</b>	<b>(44,85,280)</b>	<b>(28,58,540)</b>

## Notes to Consolidated Financial Statements

### for the year ended 31st March, 2018

#### Note No. 6 Long -term Provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
<b>Provision for Employee retirement benefits</b>		
Provision for Gratuity	59,44,113	44,95,730
<b>Total</b>	<b>59,44,113</b>	<b>44,95,730</b>

#### Note No. 7 Short Term Borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
<b>Loans Repayable on Demand</b>		
From Banks	-	-
<b>Secured</b>		
Over Draft from Canara Bank	90,11,627	60,38,348
Citibank-Credit Card	-	1,98,518
Suntrust Bank ZBA	-	9,96,254
<b>Total</b>	<b>90,11,627</b>	<b>72,33,120</b>

#### Of the above

\*Over Draft limit of ₹ 400 lacs Secured by way of Hypothecation of Equipment and floating charge on movable assets and personal guarantee given by the Managing Director, and Executive Director and Director of the Company & 'Collateral Security' of Residential Plots admeasuring 2,000 Sq Yds situated at Thimmayapalli, Keesara Mandal R.R.Dist, and Open Plots admeasuring 5,230 Sq.Yds situated at Ghanpur Village, Toopran Mandal, Medak District and open plot No.11 admeasuring 773 Sq Yds and Open Plots admeasuring 7,465 Sq Yds at Ghanpur Village, Toopran Mandal, Medak Dist. and open Plots admeasuring 2,311 Sq Yds situated at Yawapoor Village, Toopran Mandal, Medak District.

#### Note No. 8 Trade payables

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Dues to Micro, Small and Medium Micro Enterprises	-	-
<b>Others</b>		
Trade Payables	1,41,39,762	5,47,97,652
<b>Total</b>	<b>1,41,39,762</b>	<b>5,47,97,652</b>



## Notes to Consolidated Financial Statements

### for the year ended 31st March, 2018

#### Note No. 9 Other current liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Current Maturities of Long Term Debt	13,01,015	-
Current Maturities of Finance Lease Obligations	6,21,982	-
<b>Employee Benefits Payable</b>		
Accrued Expenses	6,03,891	25,20,975
Bonus Payable	31,03,200	35,06,032
Director Remuneration Payable	3,12,558	77,610
Employee Benefits Payable	-	26,74,082
Employee Recreation Fund	3,94,502	4,02,402
Salaries Payable	86,55,760	87,78,336
Statutory Liabilities Payable	-	-
Professional Tax Payable	49,000	1,65,450
AP INDIVIDUALS	2,60,280	-
Apex Advanced Technology LLC (Bill Discounting)	-	14,069
ESI Payable	1,44,547	2,30,063
PF Payable	5,19,531	7,94,569
Service Tax Payable	-	6,85,536
TDS Payable	49,11,298	19,50,343
Other Payables	-	-
Audit Fee Payable	3,60,000	3,72,500
Conveyance Payable	-	4,000
Culligence Software India Pvt Ltd	-	15,00,000
CSR Liability	12,76,352	-
Damodhar A	-	6,665
Duties & Taxes	7,81,076	-
Electricity Charges Payable	3,97,447	10,07,241
Eureka Forbes Limited	-	3,100
Expenses Payable	68,823	57,349
K.Rupa Reddy-Payables	2,35,422	2,60,716
Maintenance Charges Payable	-	91,242
Other Payables	37,099	-
P D Murthy	-	7,452
Rent Payable	10,21,065	14,09,160

## Notes to Consolidated Financial Statements

### for the year ended 31st March, 2018

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Secretarial Audit Fee Payable	-	6,900
Sun Net Solutions Pvt Ltd	-	3,094
Sunshine Dealin Tax & Co	-	11,000
Sunshine Dealin Tech Solutions	-	7,200
Surender Kasturi	-	58,754
Telephone Charges Payable	9,864	24,450
<b>Total</b>	<b>2,50,64,713</b>	<b>2,66,30,290</b>

#### Note No. 10 Short-term provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Provision for Income Tax (Net of TDS & Advance Tax)	24,22,966	(1,10,227)
<b>Total</b>	<b>24,22,966</b>	<b>(1,10,227)</b>

#### Note No. 12 Non Current Investments

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Canara Bank Robeco Mutual Fund	96,41,067	73,87,658
Cadsys Technologies LLP	88,000	49,000
<b>Total</b>	<b>97,29,067</b>	<b>74,36,658</b>

#### Note No. 13 Long-term loans and advances

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
(a) Advance for Capital Investment		
<b>Unsecured, considered good</b>		
Investments- Instancy Inc USA	14,83,704	14,78,428
Apex Engineers (India) Pvt. Ltd	27,241	-
(b) Security deposits		
Rent Deposits	38,47,992	57,10,836
Electricity Deposits	12,59,021	12,59,021
Other Deposits	61,38,901	14,37,085
(c) Balances with government authorities		



## Notes to Consolidated Financial Statements

### for the year ended 31st March, 2018

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Unsecured, considered good	-	-
(d) Other loans and advances		
Unsecured Considered Good	-	-
APIIC Limited	38,685	55,87,419
<b>Total</b>	<b>1,27,95,544</b>	<b>1,54,72,789</b>

#### Note No.14 Other Non-current Assests

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Preliminary Expenses	1,40,35,962	1,49,85,016
Payroll Amortisation	1,81,67,883	-
<b>Total</b>	<b>3,22,03,845</b>	<b>1,49,85,016</b>

#### Note No. 15 Trade receivables

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Trade receivables	-	-
Unsecured, considered good	-	-
More than six months	-	8,52,119
Others	8,37,87,853	9,24,13,446
<b>Total</b>	<b>8,37,87,853</b>	<b>9,32,65,565</b>

#### Note No. 16 Cash and cash equivalents

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
(a) Cash on hand	1,34,700	1,24,965
(b) Balances with banks	-	-
(i) In current accounts	1,57,42,874	7,96,97,892
(ii) In Fixed deposit accounts	7,01,37,634	13,76,77,939
(period of maturity within one year)		
<b>Total</b>	<b>8,60,15,208</b>	<b>21,75,00,796</b>

## Notes to Consolidated Financial Statements

### for the year ended 31st March, 2018

#### Note No.17 Short-term loans and advances

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
HDFC ERGO GIC Limited- CD A/c	10,000	-
Advance to Employees	3,40,054	63,000
Other Advances	8,65,967	15,65,267
Advance Tax	-	-
Mastishk Support group	-	10,00,000
TDS & Refund receivables	46,73,890	22,81,083
Input GST	76,51,461	32,873
<b>Total</b>	<b>1,35,41,372</b>	<b>49,42,223</b>

#### Note No. 18 Other current assets

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Interest Accrued On Fixed Deposits	24,24,394	35,02,962
Other recivables	4,47,356	4,90,224
Malyala Anjaiah & Others-Electricity Charges	64,775	-
Output Service Tax Payable 2016-17	-	28,83,264
Electricity Charges Receivable - ipower	49,250	-
EMD	-	2,34,000
Work In Progress	4,62,31,600	2,31,84,950
Prepaid Expenses	74,34,544	68,81,498
TDS Receivables	6,05,728	-
Deposits(Assests)	32,535	-
<b>Total</b>	<b>5,72,90,182</b>	<b>3,71,76,898</b>

#### Note No. 19. Revenue from Operations

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
<b>Revenue from operations</b>		
Sale of Services	40,13,27,159	42,75,66,233
Unbilled Revenue	4,62,31,600	(18,15,050)
Sales Returns	-	(3,539)
<b>Total</b>	<b>44,75,58,759</b>	<b>42,57,47,644</b>

## Notes to Consolidated Financial Statements

### for the year ended 31st March, 2018

#### Note No. 20. Other income

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Interest Income	66,09,753	95,52,569
Other Income	13,19,213	7,46,675
Discount	-	3,12,357
<b>Total</b>	<b>79,28,966</b>	<b>1,06,11,601</b>

#### Note No. 21. Employee Benefit Expense

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Salaries and wages	8,21,52,361	13,60,96,963
Remuneration to Directors	96,00,000	96,00,000
Contributions to provident and other funds	83,28,861	67,12,277
Staff welfare expenses	42,96,080	14,49,809
Gratuity	25,14,780	20,16,623
<b>Total</b>	<b>10,68,92,082</b>	<b>15,58,75,672</b>

#### Note No. 22. Other Operating Expenses

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Payments to Auditor as :		
(a) Statutory Audit Fee	2,40,040	1,85,490
(b) Tax Audit Fee	2,09,960	1,58,010
(c) Secretarial Audit Fee	-	6,900
Accounting fee	87,669	2,54,298
Advertising Expenses	1,13,00,832	1,26,323
Bad debts Write off	3,22,977	85,35,050
Bank charges	3,53,764	7,64,774
Books & Periodicals	10,145	10,259
COGS	3,47,012	17,06,073
Computer Consumables	3,03,970	5,96,607
Computer Hire Charges	7,17,003	12,97,100
CSR Expenses	22,76,352	-
Donations	60,000	25,100
Due & Publications	1,33,776	-

## Notes to Consolidated Financial Statements

### for the year ended 31st March, 2018

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Domain Renewal charges	95,613	23,640
Electricity Charges	92,10,919	80,13,548
Exchange Loss	24,14,914	25,78,356
Foreign Travel Expenses	10,43,247	19,99,263
Fuel Expenses	2,38,479	4,50,031
Immigration fee	1,55,207	1,14,407
Insurance	66,38,796	39,49,990
Interest on Service Tax	3,54,507	-
Independent contract charges	-	3,27,704
Internet Charges	64,274	20,22,603
Investment in Cad Technologies Australia Written off	-	16,51,209
Job Work Charges	9,35,97,600	2,94,00,000
Legal Expenses	4,56,839	7,29,014
Misc Expenses	23,19,542	5,58,471
Misc Market/ Advt	3,12,647	-
Non Deductible Expenses	-	2,97,982
Office Expenses	89,56,092	98,86,184
Other Charges	6,92,226	2,26,626
Postage & Courier Charges	91,445	1,17,023
Printing & Stationery	3,59,498	5,02,617
Prior Period Expenses	-	1,02,733
Professional & Consultancy Charges	2,54,33,185	68,89,457
Rates & Taxes	19,59,180	16,35,077
Rent	1,19,81,126	1,33,20,320
Repairs & Maintenance - Others	14,57,840	5,98,007
Sales Commission	80,39,619	57,01,004
Sales Consulting Fee	32,66,482	-
Security Charges	9,80,000	10,60,000
Service Charges	2,000	3,04,624
Service Tax & Swach bharat cess	11,48,004	6,92,572
Subscription & Other Charges	11,43,248	8,88,285
Telephone Charges	4,04,043	5,29,240
Travelling and Conveyance	36,28,408	30,79,913
<b>Total</b>	<b>20,28,08,479</b>	<b>11,13,15,884</b>



## Notes to Consolidated Financial Statements

### for the year ended 31st March, 2018

#### Note No. 23. Financial costs

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Interest expense on:		
- Interest on Finance Lease Loans	2,82,743	8,18,611
- Interest On Working Capital Loans	20,67,773	25,40,261
- Interest Others	1,66,94,054	1,20,06,069
- Interest on Vehicle loans	3,18,472	3,72,100
<b>Total</b>	<b>1,93,63,042</b>	<b>1,57,37,041</b>

#### Note No. 24. Capital Commitment and Contingent liabilities:

a) Estimated amount of unexecuted capital contracts

Sr.No	Particulars	2017-18	2016-17
1.	Unexecuted Capital Contracts	1,67,00,050	Nil

b) Contingent liabilities:

Sr.No	Particulars	2017-18	2016-17
1.	Outstanding Corporate Guarantees	2,13,141	1,72,485

#### Note No.25. Auditors Remunerations:

Particulars	Current Year	Previous Year
Audit Fee	4,50,000	3,43,500
<b>Total</b>	<b>4,50,000</b>	<b>3,43,500</b>

#### Note No.26 Related Party Transactions:

a) Name of the related parties & relationship

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

# Notes to Consolidated Financial Statements

## for the year ended 31st March, 2018

### 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) Pvt Ltd	Cadsys Technologies LLP	B. Shailaja
Description of the nature of transactions	1. Receiving of Services. 2.Unsecured Loan Received 3. Unsecured Loan Given	1. Receiving of Services. 2.Unsecured Loan Received 3.Unsecured Loan Given	1. Providing of Services.	1. Providing of Services.	1. Providing of Services.	1. Providing of Services	Receiving of Services as Company Secretary & Compliance officer
Volume of transactions either as an amount or as appropriate proportion	1.Managerial Remuneration of ₹60,00,000/- (₹60,00,000/-)* 2.Managerial Remuneration from Apex Advanced Technology LLC USA ₹ 65,04,410/- 3.Loan Received of ₹1,40,000/- (₹ 27,00,000/-)* 4.Loan Repaid of ₹ 27,10,049/- (₹1,06,948/-)*	1.Managerial Remuneration of ₹36,00,000/- (₹36,00,000/-)* 2.Loan Received of ₹5,63,847/- (₹50,00,000/-)* 3. Loan Repaid of ₹55,03,847/-	1. Receiving of Services from Apex Engineers (India) Pvt. Ltd. of ₹ 1,10,55,545/- (NIL)*	1. Providing of Services of ₹ 18,21,88,046/- (₹9,35,24,438/-)* 2. Receiving of Services from Apex Engineers (India) Pvt. Ltd. ₹1,15,53,653/- (₹3,93,74,156/-)* 3. Receiving of Service from Apex Engineers (India) Pvt. Ltd. of ₹1,15,53,653/-	1. Receiving of Services of ₹ 11,56,64,000/- (₹98,00,000/-)* 2. Sale of Services to Cadsys Technology LLC, USA (₹1,10,55,545/-) 3. Sale of Services to Apex Advanced Technology LLA, USA ₹1,15,53,653/-	NIL	Remuneration Paid ₹ 3,60,000/-
Any other elements of the related party transactions	NIL	NIL	Investment of (₹33,61,259/-)*	Investment of ₹18,90,88,560/- (₹12,63,89,073/-)*	NIL	Investment of ₹ 88,200/- (₹49,000/-)*	NIL
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	1.Loan amount out-standing of ₹23,003/- (₹25,93,052/-)* 2.Managerial Remuneration Payable of ₹1,05,180/- (NIL)*	1.Loan Amount outstanding from Apex Engineers (India) Pvt. Ltd. NIL (₹49,40,000/-)* 2.Managerial Remuneration Payable of ₹ 2,07,390/- (₹ 77,610/-)*	Amount receivable against export of services (₹8,59,919/-) (₹8,59,919/-)*	Amount receivable against export of services ₹ 2,34,62,259/- (₹2,08,49,306/-)*	Amount Receivable of ₹27,240 (₹ 18,37,350/-)	NIL	NIL
Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Note: \* mark indicated figures related to previous year figures

**Note No. 27 Additional Information to the Consolidated Financial Statements:**

Sr. No.	Name Of The Entity	As at 31st March, 2018		As at 31st March, 2017	
		Net Assets i.e. Total Assets Minus Total Liabilities		Share In Profit/(Loss)	
		As % Of Consolidated Net Assets	Amount	As % Of Consolidated Profit/(Loss)	Amount
	<b>Parent</b>				
	Cadsys (India) Limited	100%	49,45,11,535	100%	7,39,76,391
	<b>Subsidiaries</b>				
	<b>Foreign</b>				
1.	Cadsys Technologies LLC USA	2%	98,90,231	2%	14,79,528
2.	Apex Advanced Technology LLC, USA	NA	NA	NA	NA
3.	Apex Engineers (India) Private Limited	20.00%	9,89,02,307	20.00%	1,47,95,278

**Note No. 28.** There were no overdue amounts exceeding ₹1, 00,000/- each, which age outstanding for more than 30 days payable to Small Scale Industrial Undertakings as on 31st March, 2018

**Note No 29.** Paisa has been rounded off to the nearest rupee.

**Note No 30.** Previous Year Figures are regrouped wherever necessary.

As per our report of even date for  
**NARVEN ASSOCIATES**  
Chartered Accountants  
Firm Registration Number: 0059055

For and on behalf of the Board of Directors

Sd/-  
**CA.G.V.Ramana**  
Partner  
(M.No 025995)

Date: May 30th, 2018  
Place: Hyderabad

Sd/-  
**N.C.V. Rangacharya**  
Managing Director

Sd/-  
**B. Shailaja**  
Company Secretary

Sd/-  
**N.C Madhavi**  
Director

Sd/-  
**N.C. Padmaja**  
Chief Financial Officer

**Note No. 11 Fixed Assets**

Sr. No.	Description	GROSS BLOCK				DEPRECIATION						NET BLOCK	
		As at 01-04-2017	Additions during the year	Deletions during the year	As on 31-03-18	Up to 01.04.2017	Deletions during the year	1st Half Year	2nd Half Year	Total	Adjusted against Reserves	As on 31-03-2018	As on 31-03-2017
		₹	₹	₹	₹	₹	₹	₹	₹	₹		₹	₹
	<b>Tangible Fixed Assets</b>												
1	Furniture & Fittings	1,71,84,786	-	-	1,71,84,786	1,38,04,801	-	3,22,900	3,14,748	6,37,648	-	1,44,42,449	33,79,984
2	Computer	7,65,10,655	1,15,000	-	7,66,25,655	6,78,44,068	-	38,32,853	38,45,371	76,78,224	-	7,55,22,292	84,51,777
3	Servers	41,83,654	-	-	41,83,654	25,16,532	-	3,51,564	3,28,126	6,79,690	-	31,96,222	16,67,122
4	Electrical Equipments	50,29,488	-	-	50,29,488	50,22,272	-	45,773	18,212	63,985	2,57,920	48,28,337	7,216
5	Office Equipment	62,75,092	1,16,957	-	63,92,049	48,33,295	-	2,63,871	2,53,448	5,17,319	-	53,50,614	14,41,797
6	Vehicle	62,96,477	-	-	62,96,477	17,42,307	-	3,93,530	3,93,530	7,87,060	-	25,29,367	45,54,170
7	Air conditioner	24,99,073	-	-	24,99,073	19,80,435	-	37,663	37,663	75,326	-	20,55,761	5,18,638
8	Generator	33,94,362	-	-	33,94,362	23,13,237	-	89,589	84,315	1,73,904	-	24,87,141	10,81,125
9	U.P.S	39,43,590	-	-	39,43,590	25,44,291	-	2,85,989	2,61,942	5,47,931	-	30,91,822	13,99,299
10	Communication Equipment	48,85,586	12,499	-	48,98,085	40,07,231	-	1,75,092	2,48,226	4,23,318	-	44,30,549	8,78,355
11	Land	7,20,865	-	-	7,20,865	-	-	-	-	-	-	7,20,865	7,20,865
12	Land	-	3,58,42,248	-	3,58,42,248	-	-	-	-	-	-	3,58,42,248	-
	<b>Total</b>	<b>13,09,23,628</b>	<b>3,60,86,704</b>	-	<b>16,70,10,332</b>	<b>10,66,08,469</b>	-	<b>57,98,424</b>	<b>57,85,581</b>	<b>1,15,84,005</b>	<b>2,57,920</b>	<b>11,79,34,554</b>	<b>2,41,00,348</b>
	<b>Intangible Fixed Assets</b>												
13	Software	5,55,38,883	1,65,67,382	-	7,21,06,265	2,64,43,287	-	23,70,421	23,83,613	47,54,035	-	3,11,97,322	13,06,878
14	Goodwill	5,83,34,297	16,63,66,704	-	22,47,01,001	5,75,746	-	1,06,87,609	1,06,87,609	2,13,75,217	-	2,19,50,963	13,04,33,863
	<b>Total</b>	<b>11,38,73,180</b>	<b>18,29,34,086</b>	-	<b>29,68,07,266</b>	<b>2,70,19,033</b>	-	<b>1,30,58,030</b>	<b>1,30,71,222</b>	<b>2,61,29,252</b>	-	<b>5,31,48,285</b>	<b>13,17,40,741</b>
	<b>Grand Total</b>	<b>24,47,96,808</b>	<b>21,90,20,790</b>		<b>46,38,17,598</b>	<b>13,36,27,502</b>		<b>1,88,56,454</b>	<b>1,88,56,803</b>	<b>3,77,13,257</b>	<b>2,57,920</b>	<b>17,10,82,839</b>	<b>15,58,41,089</b>

# Independent Auditor's Report

To the Members of Cadsys (India) Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of CADSYS (INDIA) LIMITED (the holding Company) and its subsidiary (collectively referred as "the company" or "the group"), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss and Consolidated Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "The Consolidated Financial Statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

## Opinion

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 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 consolidated state of affairs of the Company, as at 31st March 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

- a) The Results of the following entities:
  - i. Cadsys Technologies LLC, USA
  - ii. Apex Advanced Technology, LLC
  - iii. Apex Engineers (India) Private Limited

## Other Matters

- a) We did not audit the financial statements of two subsidiaries namely, Apex Advanced Technology LLC, Apex Engineers (India) Private Limited, included in the statement, whose financial statements reflect total assets of ₹3,920.20 lakhs as at 31st March, 2018, and Net assets of ₹3,189 lakhs as at 31st March 2018 in the consolidated balance sheet and total revenues of ₹3,587.49 lakhs, total net profit of ₹549.15 lakhs for the year ended 31st March, 2018 as considered in the statement. These financial results/statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management.

Our opinion, in so far as it relates to the affairs of these subsidiaries, is based solely on the report of other auditors

- b) The Statement includes financial results/statements and other financial information of a subsidiary namely Cadsys Technologies LLC, USA which reflect total assets of ₹51.70 lakhs as at 31st March, 2018, total revenues of ₹130.58 lakhs, total net profit of ₹6.94 lakhs for the year ended 31st March, 2018. Such financial information has been prepared in accordance with accounting principles generally accepted in their respective countries and which have not been audited and which are certified by the Management. The Management has converted the financial statements of the subsidiary from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the group.

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/ financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

- 1) As required by section 143(3) of the Act, we report that:
- 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 of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, read

with Rule 7 of the Companies (Accounts) Rules, 2014.

- 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"; and
- with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - The Company has no pending litigations which have impact on its financial position in its financial statements,
  - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses,
  - There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

**For NARVEN ASSOCIATES**  
**Chartered Accountants**  
**Firm Regn. No: 005905S**

**Sd/-**

**G.V.RAMANA**  
**Partner**  
**Membership No.:025995**

**Date: 30th May, 2018**  
**Place: Hyderabad**

## Annexure - A

to the Auditors' Report of Cadsys (India) Limited

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31st March 2018, We have audited the internal financial controls over financial reporting of CADSYS (INDIA) LIMITED (the holding Company) and its subsidiary (collectively referred as "the company" or "the group") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be



detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company, its Subsidiary have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For NARVEN ASSOCIATES**  
**Chartered Accountants**  
**Firm Regn. No: 005905S**

**Sd/-**

**Date: 30th May, 2018**  
**Place: Hyderabad**

**G.V.RAMANA**  
**Partner**  
**Membership No.:025995**



## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 26TH ANNUAL GENERAL MEETING OF THE MEMBERS OF CADSYS (INDIA) LIMITED WILL BE HELD ON SATURDAY, THE 29th DAY OF SEPTEMBER, 2018 AT 10:00 A.M. IST AT TAJ MAHAL HOTEL, NARAYANAGUDA ROAD, HIMAYATNAGAR, HYDERABAD, TELANGANA - 500029, INDIA, TO TRANSACT THE FOLLOWING BUSINESSES:**

### ORDINARY BUSINESS

#### 1) Adoption of Financial Statements:

To receive, consider, discuss and adopt (a) the audited standalone financial statement of the Company for the financial year ended March 31st, 2018, and (b) the audited consolidated financial statement of the Company for the financial year ended March 31st, 2018 together with the Board's Report and Auditors' Report thereon and in this regard, to consider and if thought fit, to pass the following resolutions as **Ordinary Resolutions**:

- a) **"RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended on March 31st, 2018, 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 March 31st, 2018 and the report of Auditors thereon placed before this meeting, be and are hereby received, considered and adopted."

#### 2) Declaration of Dividend:

To consider and declare final dividend of Re. 1/- per equity share for the Financial year ended March 31st, 2018 and in this regard, consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** a final dividend at the rate of 10% of the face value of the equity share (i.e. Re. 1/- per Equity share) for the financial year ended on March 31st, 2018 be and is hereby declared and approved."

#### 3) Re-appointment of Mr. Sripadarajan Nagarajan as a Director liable to retire by rotation:

To appoint a director in place of Mr. 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 Mr. Sripadarajan Nagarajan (DIN: 05262644) as a director to the extent that he is liable to retire by rotation."

#### 4) Ratification of Appointment of Statutory Auditors:

To Ratify the Appointment of Statutory Auditors of the Company and in this regard consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to resolution passed by the members at the 23rd Annual General Meeting (AGM) of the Company, the appointment of M/s Narven Associates, Peer reviewed Chartered Accountants, bearing Registration Firm No: 005905S as Statutory Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of next AGM be and is hereby ratified, 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 hereby authorized to do all other acts and take all such steps as may be necessary, proper or expedient to give effect to the above resolution."

### SPECIAL BUSINESS:

#### 5) Approval of Managerial Remuneration to be paid to Mr. Nallani Chakravarthi Venkata Rangacharya (DIN: 01231778), Managing Director of the Company:

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions of Companies Act, 2013 (hereinafter referred to as "the Act") read with Schedule V of the Act read with Companies

(Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including and statutory modification(s) or re-enactment(s) thereof for the time being in force) and as recommended by Nomination and Remuneration Committee, approval of members be and is hereby accorded for the payment of remuneration to Mr. N.C.V Rangacharya (DIN: 01231778), Managing Director of the Company, w.e.f. April 01st, 2018 for a period of 3 (three) years on the following terms and conditions mentioned:

#### **A) Salary / Remuneration (₹ / annum):**

The maximum amount of remuneration payable is ₹ 84,00,000/- (Rupees Eighty Four Lakhs Only) Per Annum. Provided, the Company shall fix such amount of remuneration payable per month for the said term that is equal to or less than maximum limit of ₹. 7,00,000/- (Rupees Seven Lakhs Only) payable per month.

#### **B) Commission:**

In the year of adequate profits, the commission payable will be in addition to the basic salary, perquisites and allowances, the amount of which, based on the net profits of the company in that particular year, shall be subject to the overall ceilings laid down under Section 197 read with Schedule V of the Companies Act, 2013 and rules made thereunder.

#### **C) Perquisites / Benefits:**

Perquisites (evaluated as per Income Tax Act, 1961 and Rules framed thereunder, where applicable), including but not restricted to the benefits of the Company's furnished accommodation, gas, electricity, water and furnishings, club fees, personal accident insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof, payment of Income Tax on perquisites by the Company to the extent permissible under the Income Tax Act, 1961 and rules framed thereunder; medical reimbursement, leave and leave travel concession, provident fund, superannuation fund, gratuity and other retirement benefits, in accordance with the schemes and rules applicable from time to time, governing the aforesaid benefits. House Rent Allowance shall be allowed as per the rules of the Company within the overall limit specified above.

#### **D) Other Terms and Conditions:**

The total remuneration and perquisites / benefits contemplated as per clause A, B, C above, including contribution towards retirement benefits, leave encashment,

home leave expenses for expatriates etc, as per the rules of Company payable to the Managing Director of the Company shall not exceed limits as specified under provisions of section 197, 198 and Schedule V and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for time being in force).

The Limits stipulated in this resolution are the maximum limits and the Board may in its absolute discretion pay to Managing Director lower remuneration and revise the same from time to time within the maximum limits stipulated by this resolution.

In absence or inadequacy of profits in any financial year, the remuneration payable to a Managing Director by way of salary and perquisites shall not exceed the maximum limits prescribed under Section 197 and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration) Rules, 2014 and Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for time being in force)."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deemed necessary, expedient, incidental or proper in the best interest of the Company."

#### **6) Approval of Managerial Remuneration to be paid to Mrs. Nallani Chakravarthi Padmaja (DIN: 01173673), Whole Time Director of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions of Companies Act, 2013 (hereinafter referred to as "the Act") read with Schedule V of the Act read with rules of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including and statutory modifications or re-enactments thereof for the time being in force) and as recommended by Nomination and Remuneration Committee, approval of members be and is hereby accorded for the payment of remuneration to Mrs. Nallani Chakravarthi Padmaja (DIN: 01173673),



Whole Time Director of the Company, w.e.f April 01st, 2018 for a period of 3 (three) years on the following terms and conditions mentioned:"

**A) Salary / Remuneration (₹ / annum):**

The maximum amount of remuneration payable is ₹ 84,00,000/- (Rupees Eighty Four Lakhs Only) Per Annum. Provided, the Company shall fix such amount of remuneration payable per month for the said term that is equal to or less than maximum limit of ₹ 7,00,000/- (Rupees Seven Lakhs Only) payable per month.

**B) Commission:**

In the year of adequate profits, the commission payable will be in addition to the basic salary, perquisites and allowances, the amount of which, based on the net profits of the company in that particular year, shall be subject to the overall ceilings laid down under Section 197 read with Schedule V of the Companies Act, 2013 and rules made thereunder.

**C) Perquisites / Benefits:**

Perquisites (evaluated as per Income Tax Act, 1961 and Rules framed thereunder, where applicable), including but not restricted to the benefits of the Company's furnished accommodation, gas, electricity, water and furnishings, club fees, personal accident insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof, payment of Income Tax on perquisites by the Company to the extent permissible under the Income Tax Act, 1961 and rules framed thereunder; medical reimbursement, leave and leave travel concession, provident fund, superannuation fund, gratuity and other retirement benefits, in accordance with the schemes and rules applicable from time to time, governing the aforesaid benefits. House Rent Allowance shall be allowed as per the rules of the Company within the overall limit specified above

**D) Other Terms and Conditions:**

The total remuneration and perquisites / benefits contemplated as per clause A, B, C above, including contribution towards retirement benefits, leave encashment, home leave expenses for expatriates etc, as per the rules of Company payable to the Whole Time Director of the Company shall not exceed limits as specified under provisions of section 197, 198 and Schedule V and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration) Rules, 2014 (including any

statutory modifications or re-enactments thereof, for time being in force).

The Limits stipulated in this resolution are the maximum limits and the Board may in its absolute discretion pay to Whole Time Director lower remuneration and revise the same from time to time within the maximum limits stipulated by this resolution.

In absence or inadequacy of profits in any financial year, the remuneration payable to the Whole-Time Director by way of salary and perquisites shall not exceed the maximum limits prescribed under Section 197 and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration) Rules, 2014 and Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for time being in force).

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deemed necessary, expedient, incidental or proper in the best interest of the Company."

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

**Sd/-**

**Date: September 01st, 2018  
Place: Hyderabad**

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

**NOTES:**

- 1) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as a proxy to attend and vote on his / her behalf in the meeting and such person can act as a proxy on behalf of members of the company not exceeding 50 (Fifty) and holding in aggregate not more than 10% (Ten percent) of the total shares. A member holding more than 10% (Ten percent) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 2) The instrument appointing the Proxy, duly completed must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.
- 3) A Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special business is annexed hereto and forms part of this Notice
- 4) Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said Resolution to attend and vote on their behalf at the Meeting.
- 5) Members/proxies should bring the duly filled Attendance Slip/proxy form enclosed herewith to attend the meeting.
- 6) Government of India insisted for **"Green initiative in the Corporate Governance"** by permitting the Companies to send the Financial statement viz. Balance Sheet, Profit & Loss Statement, Directors' Report, Auditor's Report etc. to their members through email instead of sending physical copies. Members are requested to support the Green Initiative by the Government and get their email addresses registered with their Depository Participants in case of shares held in Demat form.
- 7) A copy of the Annual Report for FY 2017-18 with Attendance Slip and Proxy forms are being sent by electronic mode only, to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purpose unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent by the permitted mode.
- 8) Members may note that the Notice of the 26th Annual General Meeting and the Annual Report 2018 will also be available on the Company's website <http://www.cadsystech.com/investor/>. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad, Telangana for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [cs@cadstech.com](mailto:cs@cadstech.com).
- 9) The Register of Members and Share Transfer Books of the Company will remain closed from September 20th, 2018 to September 29th, 2018 (both days inclusive).
- 10) Subject to the provisions of Section 123 to Section 127 of the Companies Act, 2013, Dividend on Equity Shares for the year ended March 31st, 2018 as recommended by the Board excluding the shares upon which the members have waived/forgone his/their right to receive the dividend by him/them for financial year 2017-18, if approved by the members at the AGM, will be paid within a period of 30 days from the date of declaration to those Members who have not waived their right to receive the dividend for the Financial year 2017-18.
  - i) Since all the shares are held in electronic form, to all beneficial owners as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose, as on record date i.e., September 19th, 2018.
- 11) Members whose shareholding is in the electronic mode are requested to direct change of address notifications and update bank account detail to their respective Depository Participant(s). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
- 12) Members are requested to quote their Registered Folio Number or Demat Account Number & Depository Participant (DP) ID number on all correspondences with the Company. The transfer deeds, communication for change of address, e-mail ids, 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.



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- 13) Additional information pursuant to SEBI Listing Regulations and SS-2 issued by the ICSI in respect of the Directors seeking appointment at the Annual General Meeting is furnished and forms part of the Notice. The directors have furnished the requisite consents/declarations for their appointment/re-appointment.
  - 14) The Statutory Register under the Companies Act, 2013 (Register under Section 170, 189 and other section as required by the Companies Act, 2013) is available for inspection at the Registered Office of the Company during business hours between 10.00 am to 6.00 pm except on holidays and will be made available at the venue of the meeting.
  - 15) As per Notification issued by Ministry of Corporate Affairs dated March 19, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and XC as per SEBI (ICDR) Regulations, 2009, will be exempted from E-Voting provisions. Our Company is covered under Chapter XB since it is listed on SME platform of NSE EMERGE. Ballot or polling paper shall be made available at the meeting and members attending the meeting can cast their vote through ballot or polling papers to exercise their right at the meeting;
  - 16) The Company has appointed CS Nitesh Agarwal, Partner of M/s. RANJ & Associates, Company Secretaries to act as the Scrutinizer & shall scrutinize the entire voting process to be conducted at the Venue of Annual General Meeting. The E-mail ID of the Scrutinizer is [consult@ranjcs.com](mailto:consult@ranjcs.com), who shall scrutinize the process in fair and transparent manner.

## EXPLANATORY STATEMENT

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

### Item No. 5 & 6:

Mr. N.C.V Rangacharya has been in the office as Managing Director since the inception of the Company. During the term of Mr. N.C.V Rangacharya as Managing Director, the Company has made considerable progress in all the spheres and is optimistic on the future progress.

Mr. Rangacharya is the Promoter of Cadsys (India) Limited. He has pursued 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 which is 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, namely R&D, Marketing and Technical service. Under the Leadership of Mr. Rangacharya, the sales and the profit of the company have been registering a consistent growth. He has immensely contributed 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.

Keeping in view the contributions made by him, the Board of Directors and based on the recommendation of Nomination and Remuneration Committee, believes that the Company should continue to avail the services of Mr. N.C.V Rangacharya. Hence the Board of Directors at their meeting held on May 10th, 2018 has considered it necessary to fix remuneration to be paid to Mr. N.C.V Rangacharya, Managing Director of the Company for further period of 3 (Three) years with effect from April 01st, 2018, subject to the approval of members of the Company.

The Nomination & Remuneration Committee has determined the remuneration payable to Mr. N.C.V Rangacharya with a view to align the package with the best corporate practices prevailing in the industry. After considering the various factors and keeping in view of his contributions and responsibilities, the Committee has recommended the terms of remuneration as mentioned at item no.5 of this Notice to be paid to Mr. N.C.V Rangacharya.

Mrs. N.C Padmaja is the Whole Time Director and co-founder of Cadsys (India) Limited. She handles the Administrative and Financial Affairs of the Company. Before joining Cadsys (India) Limited, 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.

Mrs. Padmaja has been in the office as Whole-Time Director since 1995. During the tenure of Mrs. Padmaja as Whole Time Director,

the Company has made considerable progress in all the spheres and is optimistic on the future progress.

Keeping in view the contributions made by her, the Board of Directors and based on the recommendation of Nomination and Remuneration Committee, believes that the Company should continue to avail the services of Mrs. Padmaja. Hence the Board of Directors at their meeting held on May 10th, 2018 has considered it necessary to fix remuneration to be paid to Mrs. Padmaja as Whole Time Director of the Company for further period of 3 (Three) years with effect from April 01st, 2018 subject to the approval of members of the Company.

The Nomination & Remuneration Committee has determined the remuneration payable to Mrs. N.C Padmaja with a view to align the package with the best corporate practices prevailing in the industry. After considering various factors and keeping in view of her contributions and responsibilities, the Committee has recommended the terms of remuneration as mentioned at item no.6 of this Notice to be paid to Mrs. N.C Padmaja.

### STATEMENT OF INFORMATION PURSUANT TO SCHEDULE V OF COMPANIES ACT, 2013

#### I) General Information:

- 1) Nature of industry: Information Technology (IT) & IT Enabled Services (ITES)
- 2) Date or expected date of commencement of commercial production: In operations since 1992
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- 4) Financial performance based on given indicators:

Particulars	For the Financial Year ₹ in Lakhs	
	2017-18	2016-17
Revenue from operations	3,280	2,833
Profit after the tax	353	268
Rate of dividend declared	10%	10%
Basic earning per share (EPS)	5.47	4.96

- 5) Foreign Investments/collaborations, if any: NIL





## II) Information about the appointee - Mr. N.C.V Rangacharya, Managing Director:

- a) Background details / Job Profile: Mr. N.C.V Rangacharya aged 47 years and is associated with the Company since its inception. He 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 IT & ITES industry. Ever since the inception of the company he has built up a team of professionals in every Major Area of Business, Namely R&D, Marketing and Technical service.
- b) Past remuneration: ₹ 60,00,000/- (Rupees Sixty Lakhs only)
- c) Recognition or awards: Recognizing his Entrepreneurial Capabilities, Entrepreneurship Development Institute, a Government of India undertaking has given him the Award of Entrepreneur of The Year award for the year 2004. He is also the member on the Board of Governors at Tiruchirappalli Regional Engineering College (TREC), Science and Technology Entrepreneurs Park (STEP).
- d) Remuneration proposed: Based on the recommendation of Nomination and Remuneration committee, the Board of Directors of the Company proposed ₹ 84,00,000/- (Rupees Eighty Four Lakhs Only) Per Annum subject to approval of members.
- e) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Taking into consideration of the size of the Company, the profile of Mr. N.C.V Rangacharya and the responsibilities shouldered on him, the aforesaid remuneration package is considered.
- f) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Brother of N.C Padmaja, Whole Time Director

## Information about the appointee - Mrs. N.C Padmaja, Whole Time Director:

- a) Background details / Job Profile: Mrs. N.C. Padmaja aged 55 years and is associated with the Company since 1995. She is also a co-founder of Cadsys (India) Limited. She handles the Administrative and Financial Affairs of the Company.
- b) Past remuneration: ₹ 36,00,000/- (Rupees Thirty Six Lakhs

only)

- c) Recognition or awards: Mrs. Padmaja 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.
- d) Remuneration proposed: Based on the recommendation of Nomination and Remuneration committee, the Board of Directors of the Company proposed ₹ 84,00,000/- (Rupees Eighty Four Lakhs Only) Per Annum subject to approval of members.
- e) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Taking into consideration of the size of the Company, the profile of Mrs. N.C Padmaja and the responsibilities shouldered on her, the aforesaid remuneration package is considered.
- f) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Sister of N.C.V Rangacharya, Managing Director.

## III) Other information:

- a) Reasons for loss or inadequate profits: The economic slowdown and the global recession affected the software industry consequent to which the profits were reduced.
- b) Steps taken or proposed to be taken for improvement: The following are the steps taken for improvement:
  - a) Setting up of Software facility
  - b) Control of all wastages
  - c) Setting up various projects across different areas.
- c) Expected increase in productivity and profits in measurable terms: Approx in next 2-5 years.

All other necessary disclosures including the elements of remuneration package such as salary is mentioned in this Annual Report.

Except Mr. N.C.V Rangacharya & Mrs. N.C Padmaja in their respective resolutions and Mrs. N.C Madhavi, CS B. Shailaja, being relative of first mentioned persons, none of the other Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution set out at Item Nos. 5 & 6.

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The Board of Directors commends the resolutions as set out at Item Nos. 5 & 6 for approval of the Members as Ordinary Resolutions.

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

**Sd/-**

**Date: September 01st, 2018  
Place: Hyderabad**

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



**Information on Director recommended for appointment / reappointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Sr. No.	Particulars	Information
1.	Name of Director	Sripadarajan Nagarajan
2.	Director Identification Number	05262644
3.	Brief Resume of 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.
4.	Nature of his expertise in specific functional areas	Provides expert advices and strategies on the development of Software which are used in our GIS business.
5.	Disclosure of relationships between Directors inter-se	Nil
6.	Names of listed entities in which the person also holds the Directorship and	Nil
7.	The membership of Committees of the board	He is holding member in Nomination and Remuneration committee.
8.	Disclosure of Disqualification	He is not disqualified from being appointed as a Director

## AGM Route Map

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



**Address:** Taj Mahal Hotel, 3-6-784/227, Narayanaguda Road, Himayatnagar, Hyderabad, Telangana 500029

**Google Location link:** <https://goo.gl/maps/c9kwSTzHA5u>


**Cadsys (India) Limited**

Company Identity No. (CIN): L72200TG1992PLC014558

R.O: 3-5-900/1, IV Floor, Aparajitha Arcade, Himayath Nagar, Hyderabad, Telangana-500029, India

Email: cs@cadssystech.com, web: www.cadssystech.com

Tel. Phone No.: 040 - 23226796

**ATTENDANCE SLIP**
**26TH ANNUAL GENERAL MEETING**

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

Regd. folio No. : .....

No of Share(s) held: .....

Client ID / DPID : .....

Name and Address of the registered shareholder

I / We, hereby record my/our presence at the 26th Annual General Meeting of the Company to be held on Saturday the 29th day of September, 2018 at 10.00 A.M. IST, at Taj Mahal Hotel, Narayanaguda Road, Himayatnagar, Hyderabad, Telangana - 500029, India.

.....  
Signature of the Shareholder/ Proxy

**Notes:**

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


**Cadsys (India) Limited**

Company Identity No. (CIN): L72200TG1992PLC014558

R.O: 3-5-900/1, IVth Floor, Aparajitha Arcade, Himayathnagar, Hyderabad, Telangana-500029, India

Email: cs@cadsystech.com, web: www.cadsystech.com

Tel. Phone No.: 040 - 23226796

**PROXY FORM**  
**FORM NO. MGT-11**  
**26TH ANNUAL GENERAL MEETING**

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me / us on my/our behalf at the 26th Annual General Meeting of the Company to be held on Saturday the 29th day of September, 2018 at 10.00 A.M. IST, at Taj Mahal Hotel, Narayanaguda Road, Himayathnagar, Hyderabad, Telangana - 500029, India, in respect of such resolutions as are indicated below:

Resolutions		For	Against
1.	To receive, consider, discuss and adopt the audited standalone and consolidated financial statement of the Company for the financial year ended March 31st, 2018 together with the Board's Report and Auditors' Report thereon.		
2.	To consider and declare final dividend of Re. 1/- per equity share for the Financial year ended March 31st, 2018		
3.	To appoint a director in place of Mr. Sripadarajan Nagarajan (DIN: 05262644), who retires by rotation and being eligible offers himself for re- appointment.		
4.	To Ratify the Appointment of Statutory Auditors of the Company		
5.	Approval of Managerial Remuneration to be paid to Mr. Nallani Chakravarthi Venkata Rangacharya (DIN: 01231778), Managing Director of the Company		
6.	Approval of Managerial Remuneration to be paid to Mrs. Nallani Chakravarthi Padmaja (DIN: 01173673), Whole Time Director of the Company		

Signed this ..... day of ....., 2018

Signature of shareholder .....

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

Please Affix Re. 1/-  
Revenue Stamp

**Note:**

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



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**CADSYS**

3-5-900/1, 4th Floor, Aparajitha Arcade, Himayat Nagar, Hyderabad-500 029, Telangana, INDIA.  
+91-40-2322-4110, 2322-6796. [www.cadsystech.com](http://www.cadsystech.com)