

29th
ANNUAL REPORT
2013-2014



Capricorn Systems
Global Solutions Limited

People and Solutions

BOARD OF DIRECTORS

- | | | |
|----|------------------------|-------------------|
| 1. | Mr. S. Man Mohan Rao | Managing Director |
| 2. | Mr. Anand Deshmukh | Director |
| 3. | Mr. K.V. Srinivasa Rao | Director |
| 4. | Mr. G. Ramesh Babu | Director |

Registered Office & Development Centre:

8-2-293/82A/408A,
Plot No: 408A, Road No: 22A,
Jubilee Hills,
Hyderabad – 500 033.

Auditors:

M/s. Satyanarayana & Co.,
Chartered Accountants,
Amar Mansion,
Rani Gunj,
Secunderabad – 500 003.

Physical & Demat Registrars :

Venture Capital and Corporate Investments Pvt. Limited
12-10-167
Bharat Nagar Colony
Hyderabad – 500018
Tel: 040-23818475 / 76
Fax: 91-40-23868024 email: info@vccilindia.com

Bankers:

ICICI Bank Limited,
S.R. Nagar Branch,
Hyderabad – 500 038.

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED will be held on the Tuesday , 30th day of September, 2014 at the Registered Office of the Company situated at # 8-2-293/82A/408A, Plot No. 408A, Road No: 22A, Jubilee Hills, Hyderabad – 500033 at 11.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Financial Statements of the Company including the audited Balance Sheet of the Company as at 31st March, 2014 and the Profit and Loss Account and Cash Flow Statement for the year ended as on that date together with the schedules and notes thereon and the Directors and Auditors Report thereof.
2. To consider and appoint M/s. Satyanarayana & Co., Chartered Accountants as the Statutory Auditors of the Company to hold office until the conclusion of 32nd Annual General Meeting to be held in 2017 and fix their remuneration.

SPECIAL BUSINESS:

3. To 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 Section 149, 152 and other applicable provisions. if any of the Companies Act'2013 (“Act”) and Rules framed there under read with Schedule IV to the Act, as amended from time to time , Mr.Anand Deshmukh (DIN 03110963) , a non executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, with effect from 30th September' 2014 to 29th September' 2019”.
4. To 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 Section 149, 152 and other applicable provisions. if any of the Companies Act'2013 (“Act”) and Rules framed there under read with Schedule IV to the Act, as amended from time to time , Mr.K.V. SRINIVASA RAO (DIN 02834578) , a non executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, with effect from 30th September' 2014 to 29th September' 2019”.
5. To 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 Section 149, 152 and other applicable provisions. if any of the Companies Act'2013 (“Act”) and Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. G. Ramesh Babu (DIN03330416) , a non executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, with effect from 30th September' 2014 to 29th September' 2019”.

Place: Hyderabad

Date: 01.09.2014

Registered Office: # 8-2-293/82A/408A,

Plot No: 408A, Road No: 22A, Jubilee Hills,

Hyderabad – 500 033.

Phone: 9032008866

Fax: 040-23547889
Email id: complaintsofficer@capricornsys-global.com
Website: www.capricornsys.com
CIN: L52510TG1985PLC043347

By order of the Board
For Capricorn Systems Global Solutions Limited

S. Man Mohan Rao
Managing Director
DIN : 00109433

NOTES:

1. The relative Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business set out in item no.3&4 above is annexed hereto.
2. The relevant details as required under Clause 49 of the Listing Agreements with the Stock Exchange, of persons seeking reappointment relating to item no .3, 4 and 5 of the Notice are also annexed/
3. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the Proxy need not be a member of the Company. A person act as Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other member.

The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Limited companies, societies etc, must be supported by appropriate resolutions/authority, as applicable.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 24th September, 2014 to Tuesday 30th September, 2014 (both days inclusive).
5. Members holding shares in physical form are requested to intimate the change, if any, in their Registered Address to the Company quoting their Registered Folio. If the shares are held in Demat form, intimation regarding the change of address, if any, has to be notified to the concerned Depository Participant where the Shareholder is maintaining the Demat Account.
6. Green Initiatives in the Corporate Governance – Electronic Mode of Service of Documents:

Keeping in view the theme underlying the Circular issued by Ministry of Corporate Affairs (Circular No. 17/2011 dated 21.04.2011 read with Circular No. 18/2011 dated 29.04.2011), the Company proposes to send communications (including the Notice calling for the Annual General Meeting, Audited Financial Statements, Directors Report, Auditors Report etc., for the year ending 31st March, 2013) to the shareholders in electronic form to email addresses of those members which are available in the records of the Registrar. Members who have not registered their email ids are requested to register the same.

Registration of email id of the members holding shares in electronic form should be done with the concerned Depository Participant (DP) and Registration of email id of the members holding shares in Physical Form should be done with the Registrar.

7. Electronic copy of the Annual report is being sent to all the members whose email ID are registered with the Company/Depository Participants(s) unless any members has request for a hard copy of the same. For members who has not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.

8. Voting through electronic means:

1. E-Voting:

The Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) for all shareholders to enable them to cast their votes electronically on the items mentioned in this notice of the 29th Annual General Meeting of the Company. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 29 August, 2014.

The instructions for E-Voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> - Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 25th September, 2014 at 9.00 a. m., and ends on 26th September, 2014 at 6.00 p. m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to .
 - I. The company has appointed Mr. N. Satyanarayana, a practicing Chartered Accountant, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.
 - II. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period shall unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against , if any forthwith to the Chairman of the Company.
 - III. The results shall be declared on or after the AGM of the Company. The results along with the Scrutinizer's report shall be placed on the Company's Website and the website of CDSL.

By Order of the Board of Directors

Place: Hyderabad
Date: 01.09.2014

S. MANMOHAN RAO
Managing Director
DIN : 00109433

Registered Office: # 8-2-293/82A/408A,
Plot No: 408A, Road No: 22A, Jubilee Hills,
Hyderabad – 500 033.
Phone: 9032008866
Fax: 040-23547889
Email id: complaintsofficer@capricornsys-global.com
Website: www.capricornsys.com
CIN: L52510TG1985PLC043347

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT,2013

Item No:3

Mr. Anand Deshmukh, has joined the Board of the company on 30-06-2008. He is a non-executive independent director of the company and is considered as an Independent director of the company under Clause49 of the Listing Agreement.

He is a Commerce Graduate having more than 17 years of experience in the business areas of manufacturing, service and hospitality. He is also on the Board of Globus Stay Solutions Private Limited a company engaged in providing Turnkey travel solutions to large MNCs and corporates.

As per the provisions of Section 149 of the Companies Act,2013 ("Act") which has come into existence with effect from 1st April'2014, an Independent Director shall hold office for a term upto Five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. Anand Deshmukh has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Mr. Anand Deshmukh fulfils the conditions specified in the Act and Rules made there under for appointment as an Independent Director and he is independent of the management.

The Company has received from Mr. Anand Deshmukh (i) Consent in Writing to act as Director in Form DIR – 2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR – 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub – section (6) of Section 149 of the Companies Act, 2013.

In compliance with the provisions of Section 149 read with Schedule VI of the Act, the appointment of Mr. Anand Deshmukh as Independent Director is now being placed before the members in general meeting for their approval.

None of the Directors or key managerial persons (KMP) or relatives of directors and KMP except Mr. Anand Deshmukh is concerned or interested in the Resolution at Item No.3 of the Notice. Mr. Anand Deshmukh and his relatives are interested or concerned in the Resolution concerning his appointment proposed at agenda item no.3.

Item No: 4

Mr. K. V. SRINIVASA RAO has joined the Board of the company on 30-06-2008. He is a non-executive independent director of the company and is considered as an Independent director of the company under Clause49 of the Listing Agreement.

He is a Post Graduate in Commerce having more than 16 years of experience Business Process, Re-Engineering, Management Consulting, Advisory Services in Scaling up of small and medium enterprises.

As per the provisions of Section 149 of the Companies Act,2013 ("Act") which has come into existence with effect from 1st April, 2014 an Independent Director shall hold office for a term upto Five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. K. V. SRINIVASA RAO has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Mr. K.V. SRINIVASA RAO fulfils the conditions specified in the Act and Rules made there under for appointment as an Independent Director and he is independent of the management.

The Company has received from Mr. K. V. Srinivasa Rao (i) Consent in Writing to act as Director in Form DIR – 2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR – 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub – section (6) of Section 149 of the Companies Act, 2013.

In compliance with the provisions of Section 149 read with Schedule VI of the Act, the appointment of Mr. K. V. SRINIVASA RAO as Independent Director is now being placed before the members in general meeting for their approval.

None of the Directors or key managerial persons (KMP) or relatives of directors and KMP except Mr. K. V. SRINIVASA RAO is concerned or interested in the Resolution at Item No.3 of the Notice. Mr. K. V. SRINIVASA RAO and his relatives are interested or concerned in the Resolution concerning his appointment proposed at agenda item no.4.

Item No: 5

Mr. G. RAMESH BABU has joined the Board of the company on 13-08-2012. He is a non-executive independent director of the company and is considered as an Independent director of the company under Clause 49 of the Listing Agreement.

He is a Graduate in Commerce and he has 21 years of Managerial experience in the areas of Business Process out sourcing. The industry exposure includes Software Services, Manufacturing.

As per the provisions of Section 149 of the Companies Act,2013 (“Act”) which has come into existence with effect from 1st April, 2014, an Independent Director shall hold office for a term upto Five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. G. RAMESH BABU has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Mr. G. RAMESH BABU fulfils the conditions specified in the Act and Rules made there under for appointment as an Independent Director and he is independent of the management.

The Company has received from Mr. G. Ramesh Babu (i) Consent in Writing to act as Director in Form DIR – 2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR – 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub – section (6) of Section 149 of the Companies Act, 2013.

In compliance with the provisions of Section 149 read with Schedule VI of the Act, the appointment of Mr. G. RAMESH BABU as Independent Director is now being placed before the members in general meeting for their approval.

None of the Directors or key managerial persons (KMP) or relatives of directors and KMP except Mr. G. RAMESH BABU is concerned or interested in the Resolution at Item No.3 of the Notice. Mr. G. RAMESH BABU and his relatives are interested or concerned in the Resolution concerning his appointment proposed at agenda item no.5

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING.

(Persuant to Clause 49 of the Listing Agreement)

Particulars	Mr Anand Deshmukh	Mr K.V. Srinivasa Rao	Mr G. Ramesh Babu
Date of Birth	18-04-1973	16-11-1969	25-08-1967
Date of Appointment	30-06-2008	30-06-2008	13-08-2012
Qualification	Graduate	Post Graduate	Graduate
Expertise in specific functional area	Management	Consultant & Taxation	IT & ITES Services
Chairmanship / Directorship of other companies including Foreign companies and section 25 Companies	2	2	2
Chairmanship / Membership of other Public Companies	NIL	NIL	NIL
No of shares held in the Company	NIL	NIL	NIL

DIRECTORS' REPORT

To,

The Members,
CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED

Your Directors have pleasure in presenting the Twenty Ninth Annual Report of your Company together with the Audited Accounts for the financial year ended 31st March, 2014 and the report of the Auditors thereon.

Particulars	(Rs. Lakhs)	
	2013-14	2012-13
Total Income	416.38	332.20
Expenditure	394.20	304.83
Profit before Tax, Interest and Depreciation	22.18	27.37
Less : Depreciation	9.20	9.81
Less : Interest	0.51	9.83
Profit before Tax	12.48	7.73
Provision for Income Tax	5.55	2.86
Provision for Deferred Tax Liability	(0.39)	0.38
Net Profit after Tax	7.32	4.49
Profit brought forward	64.96	60.47
Balance available for appropriation	72.28	64.96
Profit carried to Balance Sheet	72.28	64.96

OPERATIONS & FUTURE PROSPECTS:

During the year the company has been successful in delivering the works to its existing contracts. Backed by the robust committed orders the turnover of the company has recorded a consistent growth path. Considering the consistent recovery being made in the US markets from where the business of the company is sourced, the outlook for the company is healthier the company expects to achieve higher turnover during the coming years.

CORPORATE GOVERNANCE:

The Corporate Governance Report regarding compliance of the conditions of corporate governance by your Company as stipulated in clause 49 of the Listing Agreement entered into with The Bombay Stock Exchange Limited is annexed to this Report.

MATERIAL CHANGES:

There are no material changes affecting the business of the Company after the date of the Balance Sheet.

DEPOSITS:

During the year under review the Company has not accepted any deposits from public as defined under the provisions of Section 58 A of the Companies Act, 1956

DIVIDEND:

No dividend is recommended by the Board of Directors for the year 2013-14

DIRECTORS:

Pursuant to Section 149 of the Companies Act, 2013, the Board at its meeting held on 1st September, 2014 recommended appointment of Mr. Anand Deshmukh, Mr. K.V. Srinivasa Rao and Mr. G. Ramesh Babu as independent directors of the company not liable to retire by rotation for 5 years from the date of its 29th Annual General Meeting of the company subject to approval of the members of the Company.

The Directors have given declaration to the Board that they meet criteria of independence as provided under Section 149(6) of the said Act and also confirmed that they would abide by the provisions as mentioned in Schedule IV of the Companies Act, 2013. The Board recommends the resolutions for your approval for the above appointments.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956 we, the Board of Directors of the Company hereby state:

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that we had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) that we had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that we had prepared the annual accounts for the year ended 31st March, 2014 on a going concern basis.

AUDITORS:

M/s Satyanarayana & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The said auditors have furnished the certificate of their eligibility for the reappointment. Pursuant to the provisions of the Section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint M/s. Satyanarayana & Co as Statutory Auditors of the Company from the Conclusion of the forthcoming AGM till the conclusion of the 32nd Annual General Meeting to be held in the year 2017 subject to ratification of their appointment at the subsequent AGMs.

PERSONNEL:

During the year under review, there were no employees drawing remuneration in excess of the limits laid down in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee's) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The disclosures required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, for the year ended March 31, 2014 are as follows:

A. CONSERVATION OF ENERGY:

- a. Adequate measures have been taken to conserve energy wherever possible.
- b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy: NIL
- c. Impact of measures for reduction of energy consumption / energy conservation: NIL

B. RESEARCH AND DEVELOPMENT & TECHNOLOGY ABSORPTION :

- 1. The company has an Inhouse team for upgradation / development of technologies and products.
- 2. Benefits Derived : Faster turn around time in delivery of the projects.

3. Future plan of action : Enhancing the capacity & capability of the team as per growth needs of the company.

C. In case of imported technology, imported during the last 5 years reckoned from the beginning of the financial year, following information may be furnished:

a. Technology Imported: N. A. b. Year of Import: N. A.

c. Has technology fully absorbed areas where this has not been taken place, reasons thereof and plan of action: N. A.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans:

The entire software developed is exported to the Company belonging to the promoters. The management does not have any immediate plans to export its services to other countries.

2. Total Foreign Exchange used and earned:

S.No.	Particulars of the transaction	2013 - 2014 (in Rs.)	2012 - 2013 (in Rs.)
1.	Total Foreign Exchange earnings	359,91,018	345,86,434
2.	Foreign Exchange outgo	Nil	Nil
	a. on account of Travel	Nil	Nil
	Total Foreign Exchange outgo	Nil	Nil

COMPLIANCE CERTIFICATE:

The Company has complied with the provisions of Corporate Governance under listing agreement. A Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the listing agreement is attached to this report.

ACKNOWLEDGEMENTS:

The Board places a record of appreciation to the Bankers, Government and Non Government authorities, Members and Employees of the Company for their continued support and confidence in the Company.

For and on behalf of the Board
For Capricorn Systems Global Solutions Limited

Place: HYDERABAD
Date : 1 September 2014

Sd/-
S. Man Mohan Rao
Managing Director
DIN : 00109433

MANAGEMENT DISCUSSION AND ANALYSIS:

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The company is engaged in the business of software development, providing Business Process Out sourcing, consultancy services in the fields of software and allied services.

REVIEW OF OPERATIONS:

The company has added new works to its existing portfolio of works with significant addition of new staff which enabled it to achieve higher turnover during the year .

FINANCIAL REVIEW:

The Company has achieved a total turnover of Rs. 416.38 Lakhs. The Gross Profit (earnings before interest, depreciation and taxes) was Rs. 22.18Lakhs. The paid-up share capital as at 31st March 2014 amounts to Rs.399.6 Lakhs.

OPPORTUNITIES:

The primary market the company services is United States of America. With the very positive out look of the Marco economic scenario prevailing there the company expects that it would be able to enhance its presence in new areas of work . The company with its strengths and business alliances is exploring the new markets. With long standing relations with the customers and also the with the proven track record of the company delivering as per the expectations of the customers, the company is confident of identifying the new areas of business with the existing customers and in new markets.

CHALLENGES:

Capricorn Systems Global Solutions Limited (CSGSL) encounters normal market competition from other similar companies. One of the major challenges being faced by the company is attracting and retaining the competent personnel for the operations of the company in the face of the increased demand for the trained personnel in the software market in general. Further one of the main challenges would be to optimize the cost of operations in the face of the pressure on the margin in the highly matured markets the company operates.

OUTLOOK:

With improved spend of the companies on the software services and with the industry expected growth rate of around 15% CSGSL is targeting a growth rate of around 25% for the current year.

RISKS AND CONCERNS:

The domestic and international economic environment directly influences the spending patterns of the industry on the Information Technology. And also the margins of the companies are affected by any changes in the government regulations like taxation and also the increased competition from other countries.

ADEQUACY OF INTERNAL CONTROLS:

CSGSL has a proper and adequate system of internal control to ensure that all the assets are safeguarded and protected against loss or misuse or disposition and the transactions are authorized, recorded and reported correctly.

The internal control systems are supplemented by management review. The internal control system is designed to ensure that the financial and other records are reliable and also maintaining accountability of assets.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:

CSGSL has 60 employees. CSGSL recognizes the contributions of its people in creating a company, which ranks as one of the best facilities with highly skilled people.

CSGSL provides continuous learning and personal development programs by conducting training and evaluation of its personnel. Industrial relations have been very cordial in the organization during the year.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Board of Directors of
M/s. Capricorn Systems Global Solutions Ltd

We have reviewed implementation of Corporate Governance procedures set by Capricorn Systems Global Solutions Limited for the period ended 31st March 2014 with relevant records and documents maintained by the Company and furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing agreements with the stock exchanges have been complied with in all material respects.

for Satyanarayana & Co
Chartered Accountants
FRN No. 003680S

Place: Hyderabad.
Date: 29-05-2014

J. Jagannadha Rao
Partner
Membership No. 006239

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The basic philosophy of corporate governance in the company is to attain excellence in the operation keeping in view the interests of all the stake holders

Company is committed to achieving the high standards of corporate governance.

Company believes that all its operations and acts should serve the underlying goal of enhancing overall stakeholders' value, over a sustained period of time.

2. BOARD OF DIRECTORS:

Composition and Functions:

The Board at present consists of 4 Directors with considerable professional experience and expertise in various fields. The Board of Directors has the ideal composition with more than half the directors being non- executive directors. The Board's composition meets the stipulated requirement of at least one – half of the Board comprising independent directors.

None of the non-executive directors have any pecuniary relationship or transactions with the Company,...

The number and dates of the Board Meetings held during the year under review:

Board Meetings were held during the financial year 2013-14 on the following dates: 29/05/2013, 12/08/2013, 02/09/2013, 12/11/2013 & 13/02/2014.

During the year under review the time gap between any two consecutive meetings did not exceed four months.

The details of the attendance of directors at meetings of the Board and annual general meeting, held during the year (April 2013 to March 2014), along with the details of Committee memberships and their other directorships are furnished below:

Name of the Director and category of Directorship	Attendance Particulars		No. of other Directorships and Committee Memberships	
	Board Meetings	Last AGM	Other Directorships	Committee Membership
Sri S. Man Mohan Rao (Promoter and Managing Director)	5	YES	NIL	0
Sri K.V. Srinivasa Rao (Non Promoter and Independent Director)	5	YES	2	1
Sri Anand Deshmukh (Non Promoter and Independent Director)	4	YES	1	1
Sri G. Ramesh Babu (Non Promoter and Independent Director)	5	YES	1	1

Name of the Director and category of Directorship	Other Directorship
Sri S. Man Mohan Rao (Promoter and Managing Director)	Nil
Sri K.V. Srinivasa Rao (Non Promoter and Independent Director)	2
Sri Anand Deshmukh (Non Promoter and Independent Director)	1
Sri G. Ramesh Babu (Non Promoter and Independent Director)	1

Shares held by Non-Executive Directors in the Company

S.No.	Name of the Director	No. of shares held
3.	Sri K.V. Srinivasa Rao	Nil
4.	Sri Anand Deshmukh	Nil
5.	Sri G. Ramesh Babu	Nil

CODE OF BUSINESS CONDUCT AND ETHICS

The Company has adopted a Code of Business Conduct and Ethics (the 'Code'), which applies to all senior management personnel, and Directors of the Company. It is the responsibility of all senior management personnel and Directors to familiarize themselves with this Code and comply with its standards.

The Code of Business Conduct and Ethics have been posted on the Company's website – www.capricornsys-global.com.

1. AUDIT COMMITTEE:

Composition, Names of Members & Chairperson and terms of reference

The Audit Committee of the Board comprises of 3 Non-Executive Independent Directors and 1 Non Independent Director. Sri Anand Deshmukh is the Chairman of the Audit Committee.

As on date the members of the Audit Committee are:

S.No.	Name of the Member	Designation
1.	Sri Anand Deshmukh	Chairman
2.	Sri S. Man Mohan Rao	Member
3.	Sri K. V. Srinivasa Rao	Member
4.	Sri G. Ramesh Babu	Member

Powers of the Audit Committee:

- a. To invite such of the executives, as it considers appropriate (and particularly the head of finance function) to be present at the meetings of the Committee,
- b. To investigate any activity within its terms of reference, c. To seek information from any employee
- d. To obtain outside legal or other professional advice, and
- e. To secure attendance of outsiders with relevant expertise if considered necessary.

Terms of Reference of the Audit Committee:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Appointment, removal and terms of remuneration of internal auditors
5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to the financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
6. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
7. Monitoring the use of the proceeds of the proposed initial public offering of the Company. Reviewing with the management the statement of uses/application of funds raised through initial public offering by major category, as well as statement of funds utilised for purpose other than those stated in the Prospectus and making appropriate recommendations to the Board to take up steps in this matter.
8. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

10. Discussions with internal auditors on any significant findings and follow up thereon.
11. Reviewing internal audit reports and adequacy of the internal control systems.
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
13. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors. Discussion with internal auditors any significant findings and follow up there on.
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
17. To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
18. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee. 4 meetings were held during the year.

The attendance of each member of the Committee is given below:

S.No.	Name of the Member	No. of Meetings attended
1.	Sri Anand Deshmukh	4
2.	Sri G. Surender Reddy (upto 20th June 2013)	1
3.	Sri K. V. Srinivasa Rao	4
4.	Sri G. Ramesh Babu	4

REMUNERATION COMMITTEE:

The Remuneration Committee was consists of Mr. G. Ramesh Babu as chairman , Sri Anand Deshmukh and Sri K. V. Srinivasa Rao as the Members.. The powers and duties of the remuneration committee are:

- i. To review, assess and recommend the appointment of Executive and Non Executive Directors from time to time;
- ii. To periodically review the remuneration package of the Executive Directors and recommend suitable revision to the Board;
- iii. To recommend compensation to the non executive directors in accordance with the Companies Act, 1956
- iv. To consider and recommend Employee Stock Option Scheme, if any, from time to time and to administer and superintend the same.

The remuneration committee did not meet during the year.

Excepting the Managing Director , None of the other Directors receive any remuneration.

3. SHAREHOLDERS AND INVESTORS GRIVEANCE COMMITTEE:

The committee comprises 2 directors, Mr. S. Man Mohan Rao is Chairman and Sri. K.V. Srinivasa Rao as member. The committee, inter alia, approves issue of duplicate share certificates and oversees and reviews all matters connected with the securities transfer. The Committee also looks into redressing of shareholders/investor's complaints like transfer of shares, non-receipt of balance sheet, etc. The committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement of the quality of investors' services.

The Company has not received any complaints from the shareholders during the year. Name and designation of the compliance officer : D. Madhav Rao, Compliance Officer

CEO CERTIFICATION:

As required by Clause 49 of the Listing Agreement, the CEO certification is provided elsewhere in the Annual Report.

4. AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE:

As required by Clause 49 of the Listing Agreement, the Auditors' certification is provided elsewhere in the Annual Report.

5. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT:

The Company is presently complying only one non mandatory requirement enumerated in the provisions of Clause 49 of the listing agreement i.e., constitution of remuneration committee.

Number of shareholders complaints received:

Number not solved to the satisfaction of shareholders: NIL

Number of pending share transfers: No Pending share transfers as on 31st March, 2014

6. GENERAL BODY MEETINGS:

Location and date/time of last three Annual General Meetings :

Year	Location	Date	Time
2012-2013	# 8-2-293/82A/408A, Plot No. 408A, Road No. 22A, Jubilee Hills, Hyderabad – 500 033	30-09-2013	11.00 A.M.
2011-2012	# 8-2-293/82A/408A, Plot No. 408A, Road No. 22A, Jubilee Hills, Hyderabad – 500 033	30-09-2012	11.00 A.M.
2010-2011	# 8-2-293/82A/408A, Plot No. 408A, Road No. 22A, Jubilee Hills, Hyderabad – 500 033	28-09-2011	4.00 P.M.

No special resolution requiring a postal ballot was placed before the last AGM. Similarly, no special resolutions requiring postal ballot is being proposed at the ensuing AGM.

7. DISCLOSURES:

Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

Details of related party transactions have been disclosed under Note 12 on Schedule 21 on the financial statements. There are no transactions, which may have potential conflict with the interests of the Company at large.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

No penalties have been imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets, during the last three years.

8. MEANS OF COMMUNICATION:

No half-yearly reports were sent to the shareholders. Quarterly results are published in Business Standard (in English) and Andhra Prabha (in Vernacular Language) The results of the Company are displayed on www.capricornsys-global.com

Management Discussion and Analysis forms part of the Annual Report and is provided elsewhere in this report.

9. GENERAL SHAREHOLDER INFORMATION:

A. Details of the ensuing Annual General Meeting

Date	Day	Time	Venue
30-09-2014	Tuesday	11.00 AM	# 8-2-293/82A/408A, Plot No. 408A, Road No. 22A, Jubilee Hills, Hyderabad – 500 033

B. Financial Calendar: 1st April, 2013 to 31st March, 2014

1st Quarterly	Half Yearly	3rd Quarter	4th Quarter
August 2014	November 2014	February 2015	May 2015

C. Date of Book Closure:

24th September, 2014 to 30th September, 2014 (both days inclusive).

D. Dividend Payment Date:

No Dividend is recommended for the financial year 2013 – 2014

E. Listing on Stock Exchanges and Stock code:

The shares of the Company are listed on The Bombay Stock Exchange Limited, Mumbai and the Stock Code is 512169.

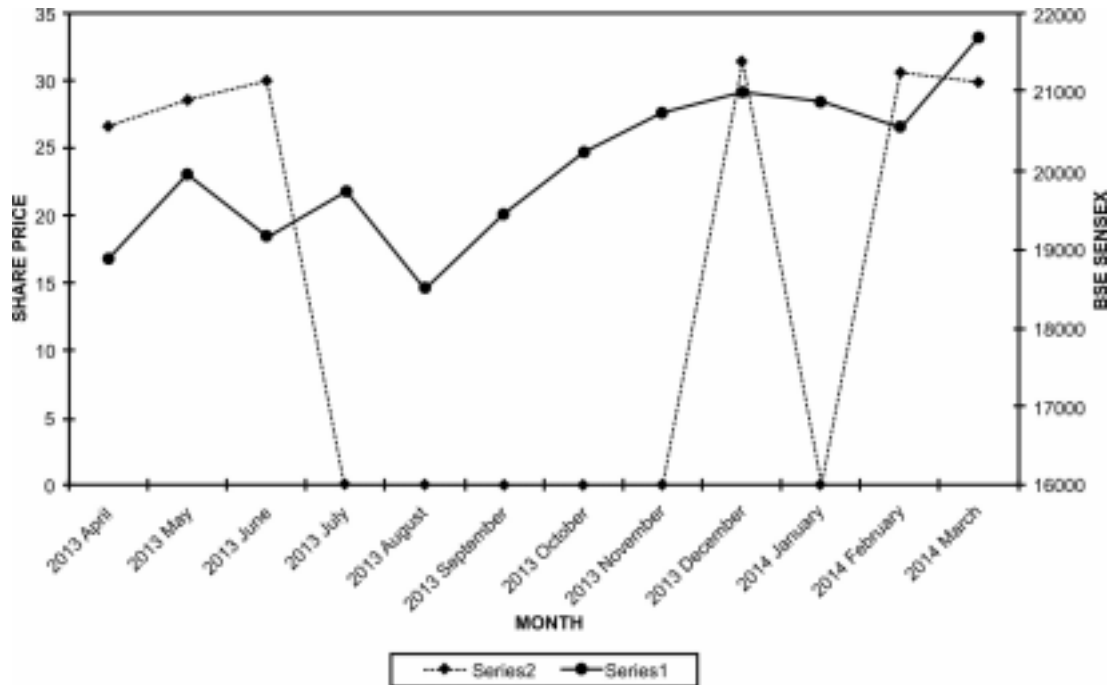
F. Market Price Date: High/Low during each month in last financial year (2013 – 2014)

In Rupees

Period	The Bombay Stock Exchange Limited (Mumbai)	
	High	Low
April 2013	27.20	25.95
May 2013	28.55	28.55
June 2013	29.95	29.95
July 2013	29.95	29.95
August 2013	29.95	29.95
September 2013	29.95	29.95
October 2013	29.95	29.95
November 2013	29.95	29.95
December 2013	31.40	31.40
January 2014	32.90	28.40
February 2014	32.90	28.40
March 2014	29.80	29.80

G. Performance in comparison to broad-based indices such as BSE SENSEX:

COMPARITIVE GRAPH



H. Registrar and Transfer Agents:

Venture Capital and Corporate Investments Limited is the Registrar and Share Transfer agents of the Company. For any queries regarding transfer of shares and demat of share, shareholders may contact:

Venture Capital and Corporate Investments Pvt. Limited

12-10-167
 Bharat Nagar Colony
 Hyderabad – 500018
 Tel: 040-23818475 / 76
 Fax: 91-40-23868024 email: info@vccilindia.com

I. Share Transfer System:

Pursuant to the appointment of Venture Capital and Corporate Investments Private Limited as Common Agency for undertaking Company's electronic and physical share registry work, all the requests for share transfers received by the Company are sent to the Registrar. Similarly some of the shareholders send the requests for share transfers directly to the Registrar.

Normally the shares, without any technical objections, are transferred and the certificates are sent to the shareholders within 30 days from the date of receipt of the request. The requests, which contain technical objections are rejected and rejection letters along with the requests are sent to the shareholders within 15 days from the date of receipt of the request.

J. Distribution of shareholding:

Distribution Schedule as on 31.03.2014 is furnished below:

Category		No. of Holders	No. of Shares	% of shares to Total Equity
From	To			
0	1000	86	8,808	0.22
1001	5000	8	22,206	0.56
5001	10000	12	101,486	2.54
10001	20000	6	111,000	2.78
20001	30000	7	201,600	5.04
30001	40000	0	0	0
40001	50000	2	94,800	2.37
50001	100000	7	543,600	13.06
100001 & ABOVE		6	2,912,500	72.89
TOTAL		134	39,96,000	100.00

Shareholding pattern as on 31st March 2014

Sl. No.	Category	No. of Shares held	% to the Total Capital
1.	Promoter & Promoter Group	26,76,100	66.97
2.	FII's	0	0.00
3.	Bodies Corporate	1,242	0.03
4.	Individuals	13,18,643	33.00
5.	Directors and their relatives	0	0.00
6.	Employees	0	0.00
7.	NRI's	15	0.00
8.	Clearing Members	146	0.02
	TOTAL	39,96,000	100.00

K. Dematerialization of shares and liquidity:

Name of Demat Registrars:

Venture Capital and Corporate Investments Pvt. Limited

12-10-167

Bharat Nagar Colony

Hyderabad – 500018

Tel: 040-23818475 / 76

Fax: 91-40-23868024 email: info@vccilindia.com

International Securities Identification Number (ISIN): INE968E01012

The Company has entered into Agreements with NSDL and CDSL, and as on 31.03.2014, 31,52,500 Equity Shares have been dematerialized, constituting 78.89% of the total equity. As per the directives of Securities and Exchange Board of India (SEBI), the Company's shares are covered under the compulsory dematerialization list and are transferable through the depository system.

Registered Office and Address for correspondence:

Compliance Officer

Capricorn Systems Global Solutions Limited

8-2-293/82A/408A, Plot No. 408A, Road No: 22A, Jubilee Hills, Hyderabad – 500033

Tel & Fax : 040-23547889

email :

Development Centre:

8-2-293/82A/408A, Plot No. 408A, Road No: 22A, Jubilee Hills, Hyderabad – 500033

L. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs, ADRs/ warrants or any convertible instruments.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant (DP)

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I, S. Man Mohan Rao, Managing Director of CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED, to the best of our knowledge and belief, certify that:

1. I had reviewed the balance sheet and profit and loss account and all its schedules and notes on accounts, as well as the cash flow statements and the directors' report;
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on my knowledge and information, the financial statements and other financial information included in this report, present in all material respects, a true and fair view of, the company's affairs, the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of my knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
5. I am responsible for establishing and maintaining internal controls over financial reporting for the company, and I have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the company, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparing of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the company's disclosure, controls and procedures and
 - d) disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent financial year that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting.
6. I had disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of Directors.
 - a) significant changes in internal controls during the year covered by this report;
 - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - c) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

For CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED

Place: Hyderabad
Date: 1st Sep'14

S. Man Mohan Rao
Managing Director
DIN : 00109433

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Capricorn Systems Global Solutions Limited, Hyderabad.

Report on the Financial Statements

We have audited the accompanying financial statements of Capricorn Systems Global Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and 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

The Company Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (Which continue to be applicable in respect of Section 133 of the Companies Act'2013 in terms of General Circular 15/2013 dated 13th September'2013 of Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India . This responsibility includes the design, implementation and maintenance of internal control 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 the Institute of Chartered Accountants of 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

- (b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) in our opinion, the Balance Sheet, and Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (Which continue to be applicable in respect of Section 133 of the Companies Act'2013 in terms of General Circular 15/2013 dated 13th September'2013 of Ministry of Corporate Affairs).;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

for SATYANARAYANA & Co
CHARTERED ACCOUNTANTS
FRN No. 003680S

Place: Hyderabad.
Date: 29-05-2014

J. JAGANNADHA RAO
Partner
Membership No. 006239

ANNEXURE REFERRED TO IN PARAGRAPH (1) OF THE REPORT OF EVEN DATE:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected
- (ii) The Clauses relating to the physical verification of inventories, maintenance of records of inventory is not applicable to the Company as the company is engaged in the development of software and there are no inventories in the operations of the Company.
- (iii) In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) The Company has not taken any loans from parties mentioned in the register maintained under section 301 of the Companies Act'1956.
 - b) There are no loans which are given during the year.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets, and with regard to the sale of services. During the course of our audit, we have not observed any major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- (vii) The Company has an internal audit system, the scope of the same need to be increased so as to be commensurate with the size and nature of the business.
- (viii) In our opinion and according to the information and explanations given to us, the Central Government has not specified maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 to the company for the year under audit.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us no undisputed amounts payable in respect of wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March ' 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The company does not have any accumulated losses. The company has not suffered any cash losses during the financial year covered by the audit and also in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company is regular in payment of dues to the NBFCs from which it has availed Hire Purchase Loan.
- (xii) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore clause 4(xiii) of the Companies (Auditor's Report) Order'2003 is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us the Company is not dealing in shares and securities.
- (xv) In our opinion and according to the information and explanations given to us the Company has not given guarantees for the loans taken by others from Banks or Financial Institutions.
- (xvi) The Company has not raised any new term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment, No long term loan funds have been used to finance short terms assets expect permanent working capital.
- (xviii) The Company has not made any preferential allotment of shares to parties and the Companies covered in the Register maintained under Section 301 of the Companies Act'1956 during the year.
- (xix) The Clause 4(xix) of the Companies (Audit Report) Order 2003 relating to the creation of security for the Debentures is not applicable to the Company as no debentures are raised by the Company.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that caused the financial statements to be materially misstated.

for SATYANARAYANA & Co
CHARTERED ACCOUNTANTS
FRN No. 003680S

Place: Hyderabad.
Date: 29th May '14

J. JAGANNADHA RAO
Partner
Membership No. 006239

BALANCE SHEET AS AT MARCH 31, 2014

	Notes	31-Mar-2014	31-Mar-2013
EQUITY AND LIABILITIES			
A. SHAREHOLDERS' FUND			
a) Share Capital	3	39,960,000	39,960,000
b) Reserves & Surplus	4	13,861,843	13,130,328
		53,821,843	53,090,328
B. NON-CURRENT LIABILITIES			
a) Deferred Tax Liability (Net)		70,519	109,042
		70,519	109,042
C. CURRENT LIABILITIES			
a) Short-term Borrowings	5	10,769,577	12,295,919
b) Other Short-term Liabilities	6	1,265,954	2,789,685
d) Short-term Provisions	7	3,320,871	838,966
		15,356,402	15,924,570
TOTAL		69,248,764	69,123,940
ASSETS			
A. NON-CURRENT ASSETS			
a) FIXEDASSETS	8		
i) Tangible Assets		7,379,178	8,451,249
ii) Intangible Assets		20,000,000	20,000,000
iii) Capital Work In Progress		8,350,000	8,350,000
		35,729,178	36,801,249
b) Long-term Loans & Advances	9	18,547,809	17,431,267
		18,547,809	17,431,267
B. CURRENT ASSETS			
a) Cash and Bank Balances	10	2,334,785	2,880,917
b) Sundry Debtors	11(A)	3,386,624	-
c) Short-term Loans & Advances	11(B)	9,250,368	12,010,507
		14,971,777	14,891,424
TOTAL		69,248,764	69,123,940
Corporate information & Significant accounting Policies	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For SATYANARAYANA & CO

Firm's Reg. No.: 003680S

Chartered Accountants

Sd/-

JAGANNADHA RAO J

Partner

Membership No.: 006239

For and on behalf of the Board

Sd/-

S MAN MOHAN RAO

Managing Director

DIN : 00109433

Sd/-

K.V. SRINIVASA RAO

Director

DIN : 02834578

Place : Hyderabad
Date : 29 May 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

	Notes	31-Mar-2014	31-Mar-2013
I) INCOME			
a) Revenue from Operations	12	41,070,075	32,307,689
b) Other Income	13	568,257	912,416
Total Revenue (I)		41,638,332	33,220,105
II) EXPENSES			
a) Employee benefits expense	14	29,004,438	25,012,869
b) Operations and Other expenses	15	10,415,485	5,469,663
c) Depreciation and amortization expense	16	919,514	981,488
d) Finance Costs	17	50,931	982,712
Total (II)		40,390,368	32,446,732
III) Profit before and tax (I-II)		1,247,964	773,373
IV) Tax expenses			
a) Current Tax		554,973	286,440
b) Deffered Tax		(38,523)	38,286
Total Tax Expenses		516,450	324,726
V) Profit for the year		731,514	448,647
VI) Earnings per equity share :			
a) Basic & Diluted		0.18	0.11
Corporate information & Significant accounting Policies	1 & 2		

The accompanying notes are an integral part of the financial statements
As per our report of even date

For SATYANARAYANA & CO

Firm's Reg. No.: 003680S

Chartered Accountants

For and on behalf of the Board

Sd/-
JAGANNADHA RAO J
Partner
Membership No.: 006239

Sd/-
S MAN MOHAN RAO
Managing Director
DIN : 00109433

Sd/-
K.V. SRINIVASA RAO
Director
DIN : 02834578

Place : Hyderabad
Date : 29 May 2014

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31 MARCH 2014

Sl. No.	PARTICULARS	31-Mar-2014		31-Mar-2013	
		Amount	Amount	Amount	Amount
I	CASH INFLOW				
	1 Cash Inflow from Operating activities				
	(a) Profit from operating activities	731,514		448,647	
	Adjustments:				
	Depreciation and amortization	919,514		981,488	
	(Gain)/Loss on sale of fixed assets	240,841		-	
	(b) Working capital changes:				
	- (Increase)/Decrease in short-term loans and advances	(626,485)		(11,783,196)	
	- (Increase)/Decrease in Long-term loans and advances	(1,116,541)		7,476,355	
	- Increase / (Decrease) in Non Current liabilities	(38,523)		38,286	
	- Increase / (Decrease) in other current liabilities	(3,050,073)		12,295,919	
	- Increase / (Decrease) in Provisions	2,481,905		620,966	
	Total of 1		(457,848)		10,078,465
	2 Cash Inflow from Investing Activities				
	(a) Proceeds from sale of fixed assets	250,000		-	
	Total of 2		250,000		-
	3 Cash Inflow from Financing activities				
	(a) Proceeds from issue of share capital	-		-	
	(b) Share application money pending allotment	-		-	
	Total of 3		-		-
	TOTAL CASH INFLOWS (1+2+3) (I)		(207,848)		10,078,465
II	CASH OUTFLOW				
	1 Cash outflow from Operating activities				
	(a) Working Capital changes :				
	Total of 1		-		-
	2 Cash Outflow from Investing Activities				
	a) Purchase of fixed assets	338,284		1,407,994	
	b) Capital work in progress	-		7,400,000	
	Total of 2		338,284		8,807,994
	3 Cash Outflow from Financing activities				
	Total of 3		-		-
	TOTAL CASH OUTFLOW (1+2+3) (II)		338,284		8,807,994

III	<i>Net (decrease)/increase in cash and cash equivalents (I-II)</i>		(546,132)		1,270,471
	<i>Add: Cash and cash equivalents at the beginning of the period</i>		2,880,917		1,610,446
IV	<i>Cash and cash equivalents at the end of the period</i>		2,334,785		2,880,917

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

See accompanying notes forming part of the financial statements

In terms of our report attached.

As per our report of even date

For SATYANARAYANA & CO

Firm's Reg. No.: 003680S

Chartered Accountants

For and on behalf of the Board

Sd/-
JAGANNADHA RAO J
Partner
Membership No.: 006239

Sd/-
S MAN MOHAN RAO
Managing Director
DIN : 00109433

Sd/-
K.V. SRINIVASA RAO
Director
DIN : 02834578

Place : Hyderabad
Date : 29 May 2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAR 2014

	31-Mar-2014	31-Mar-2013																					
NOTE : 3 - SHARE CAPITAL																							
Authorised Capital																							
Authorised (50,00,000 equity shares of Rs.10 each)	50,000,000	50,000,000																					
Issued, Subscribed & Paid-up	50,000,000	50,000,000																					
Issued, Subscribed and Paid-up Capital (39,96,000 equity shares of Rs.10/- each) (Out of which 30,00,000 Equity Shares of Rs.10/- each allotted for consideration other than cash)	39,960,000	39,960,000																					
a. Terms/rights attached to equity shares	39,960,000	39,960,000																					
The company has only one class of equity shares having a par value of Rs.10/- each holder of equity shares is entitled one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.																							
b. Details of Shareholders holding more than 5 % shares in the company																							
<table border="1"> <thead> <tr> <th>Particulars</th> <th>Nos.</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Equity shares of Rs.10 each fully paid</td> <td></td> <td></td> </tr> <tr> <td>1 MURALI K SUDDALA</td> <td>1,650,000</td> <td>41.29</td> </tr> <tr> <td>2 SURENDER REDDY.G</td> <td>300,000</td> <td>7.51</td> </tr> <tr> <td>3 MANMOHAN RAO.S</td> <td>300,000</td> <td>7.51</td> </tr> <tr> <td>4 RAJ KUMAR</td> <td>269,500</td> <td>6.74</td> </tr> <tr> <td>5 LAXMI TWISTERS LIMITED</td> <td>268,600</td> <td>6.72</td> </tr> </tbody> </table>	Particulars	Nos.	%	Equity shares of Rs.10 each fully paid			1 MURALI K SUDDALA	1,650,000	41.29	2 SURENDER REDDY.G	300,000	7.51	3 MANMOHAN RAO.S	300,000	7.51	4 RAJ KUMAR	269,500	6.74	5 LAXMI TWISTERS LIMITED	268,600	6.72		
Particulars	Nos.	%																					
Equity shares of Rs.10 each fully paid																							
1 MURALI K SUDDALA	1,650,000	41.29																					
2 SURENDER REDDY.G	300,000	7.51																					
3 MANMOHAN RAO.S	300,000	7.51																					
4 RAJ KUMAR	269,500	6.74																					
5 LAXMI TWISTERS LIMITED	268,600	6.72																					
NOTE : 4 - RESERVES & SURPLUS																							
General Reserve	6,634,006	6,634,006																					
Surplus in Statement of Profit & Loss																							
At the Beginning of the year	6,496,323	6,047,675																					
Add : Profit for the year	731,514	448,647																					
At the end of the year	7,227,837	6,496,322																					
TOTAL	13,861,843	13,130,328																					
NOTE : 5 - LONG-TERM BORROWINGS																							
Other Short Term Borrowings	546,901	1867,147																					
Overdraft from SBH (Carrying an interest rate of 14.25%)	10,222,676	10,428,772																					
	10,769,577	12,295,919																					

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAR 2014

	31-Mar-2014	31-Mar-2013
NOTE : 6 - SHORT-TERM LIABILITIES		
Trade Payables	16,575	13,032
Other Liabilities	1,249,379	2,776,653
	1,265,954	2,789,685
NOTE : 7 - SHORT TERM PROVISIONS		
Salary and Reimbursements	1,930,660	30,943
Contribution to PF	119,232	111,035
Gratuity	135,881	135,881
Leave encashment	293,685	274,667
Provision for Taxation	841,413	286,440
	3,320,871	838,966
NOTE : 9 - LONG TERM LOANS AND ADVANCES		
Advance Recoverable in Cash or Kind	11,443,115	10,345,567
Share Application money Pending Allotment	6,200,000	6,200,000
Balance with Government authorities	94,694	75,700
Security Deposits	810,000	810,000
	18,547,809	17,431,267
NOTE : 10 - CASH AND BANK BALANCES		
Cash in Hand	76,265	9,154
Bank Balances :		
in Current Accounts	969,925	1,871,763
in Deposit Accounts	1,288,595	1,000,000
	2,334,785	2,880,917
NOTE : 11 (A) - SUNDRY DEBTORS		
Debts outstanding for a period exceeding 6 months	-	-
Other Debtors	3,386,624	-
	3,386,624	-
NOTE : 11 (B) - SHORT TERM LOANS & ADVANCES		
Short Term Loans and Advances	9,250,368	12,010,507
	9,250,368	12,010,507

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAR 2014

	31-Mar-2014	31-Mar-2013
NOTE: 12 REVENUE FROM OPERATIONS		
Sale of Services Software development exports	41,070,075	32,307,689
	41,070,075	32,307,689
NOTE: 13 Other Income		
Interest Income		
- from Bank Deposits	107,739	101,806
- from Others	0.00	810,610
Foreign Currency Exchange Account	460,518	-
Total	568,257	912,416
NOTE: 14 EMPLOYEE BENEFITS EXPENSES		
Employee Benefits Expense	27,281,238	23,660,759
Contribution to provident and other funds	729,509	648,590
Staff welfare Expenses	993,691	703,520
	29,004,438	25,012,869
NOTE: 15 OPERATIONS & OTHER EXPENSES		
Internet And Support Services	382,020	380,854
Postage & Telephones	162,265	152,307
Rent, Rates & Taxes	2,307,420	2,038,204
Electricity Charges	856,418	643,979
Travelling & Conveyance	526,149	144,879
Repairs & Maintenance	1,151,365	572,871
Professional & Consultancy Charges	1,018,610	480,208
Office Maintenance & Security	801,015	117,667
Other expenses	368,363	893,750
Amounts written off	2,556,075	0.00
Loss on sale of asset	240,841	0.00
Audit Fee	44,944	44,944
Total	10,415,485	5,469,663
NOTE: 16 DEPRECIATION		
a) Depreciation of Tangible Assets	919,514	981,488
Total	919,514	981,488
NOTE: 17 FINANCE COST		
Finance Charges	50,931	982,712
	50,931	982,712

Notes to Financial Statements for the Year Ended March 31, 2014

Note 8. Fixed Assets

Sl.No.	Fixed Assets	Gross Block				Depreciation				Net Block	
		as on 01-04-13	Additions /Disposals	Disposals	as on 31-03-14	as on 01-04-13	for the period	on Disposals	as on 31-03-14	as on 31-03-14	as on 31-03-13
A	Tangible Assets										
1	Land	1,642,500	-	-	1,642,500	-	-	-	-	1,642,500	1,642,500
2	Plant and Equipment	3,247,001	160,834	-	3,407,835	1,487,866	161,873	-	1,649,739	1,758,096	1,759,135
3	Furniture and Fixtures	4,591,559	-	-	4,591,559	3,039,161	290,646	-	3,329,807	1,261,752	1,552,398
4	Vehicles	2,451,933	-	595,361	1,856,572	736,193	204,654	104,520	836,327	1,020,245	1,715,740
5	Computers	4,731,705	177,450	-	4,909,155	2,950,229	262,341	-	3,212,570	1,696,585	1,781,476
	Total	16,664,698	338,284	595,361	16,407,621	8,213,449	919,514	104,520	9,028,443	7,379,178	8,451,249
B	Intangible Assets										
1	Goodwill	20,000,000	-	-	20,000,000	-	-	-	-	20,000,000	20,000,000
	Total	20,000,000	-	-	20,000,000	-	-	-	-	20,000,000	20,000,000
	Capital Work in Progress	8,350,000	-	-	8,350,000	-	-	-	-	8,350,000	8,350,000
	Total	8,350,000	-	-	8,350,000	-	-	-	-	8,350,000	8,350,000
	Grand Total as at 31-03-2014	45,014,698	338,284	595,361	44,757,621	8,213,449	919,514	104,520	9,028,443	35,729,178	36,801,249
	Grand Total as at 31-03-2013	36,206,703	8,807,994	-	45,014,697	7,231,960	981,488	-	8,213,448	36,801,249	28,974,743

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1 Corporate Information:

CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956, the company engages in the business of Information Technology enabled services other related activities.

2 Summary of significant accounting policies:

a. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

b. Use of estimate

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Revenue Recognition

Revenue from Software Development is recognized based on Software Developed and billed as per the terms of specific contracts. Revenue from the training activity is accounted basing on the proportion of the completion of the course as at the end of the year. Income from dividend is accounted on cash basis.

d. Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

e. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

f. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

i. Tangible Fixed Assets

Fixed assets are accounted at cost and inclusive of inward freight, duties and taxes and incidental expenses related to acquisition.

Capital Work-in-Progress includes advances for capital items, capital items under erection and pre-operative expenses pending allocation on the assets to be commissioned.

j. Depreciation

Depreciation on Fixed Assets based on the rates specified in Schedule XIV to the Companies Act, 1956, under Straight Line method.

k. Tax Expenses

i) Current Tax Expense

The Current charge for income tax is calculated in accordance with the tax regulations.

ii) Deferred Tax Expense

Deferred Income tax reflects the impact of timing difference between accounting income and tax income for the year/period. Deferred tax is measured based on the tax rates and the tax laws enacted at the Balance Sheet date. Deferred tax asset is recognized only to the extent of certainty of realization of such asset.

3. There is no information from any of the suppliers regarding their status as small scale industrial undertakings. Hence information regarding dues to such undertakings could not be furnished.

4. The Previous year figures have been regrouped or reclassified wherever necessary to be in conformity with the current year figures. All amounts in the financial statements are presented in Rupees except where ever specifically mentioned.

5. Contingent Liabilities :

On Account of Bank Guarantee given by Bankers Rs.1,60,000 (previous Year Rs.1,60,000).

6. Directors' Remuneration:

2013 -14 2012-2013

Salary and allowances Rs.600,000 Rs.600,000

7. Additional information as required by Part - II of Schedule - VI of the Companies Act, 1956.

Rs. (In Lakhs) Rs. (In Lakhs)

A. Expenditure in Foreign Currency: Nil Nil

B. Earnings in Foreign Exchange: 359.91 345.86

(on cash basis) Software Development Charges

C. C I F Value of Imports: Nil Nil

8. Segment Reporting: The Company has only Software Development activity hence segment report has not been given.

9. Related Party:

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transaction with the related parties as defined in Accounting Standards are given below:

(I) List of related parties with whom transactions have taken place and relationships:

S. No.	Name of the Related Party	Relationship
1	Capricorn Systems Inc.	Associate Concern

(ii) Transactions during the year with related parties:

S. No.	Nature of Transaction	Associate	Managerial Personnel	Total
A)	Sales	410.70	6.0	416.70

**MGT – 11
PROXY FORM**

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



CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED

Regd. Office : # 8-2-293/82A/408A, Plot No. 408A, Road No:22A, Jubilee Hills, Hyderabad - 500033

Phone: 9032008866, Fax: 040-23547889 CIN: L52510TG1985PLC043347

Email id: complaintsofficer@capricornsys-global.com Website: www.capricornsys.com

Name (s) of the Member (s)	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID	

I / We being the member (s) of _____ shares of the above named Company, hereby appoint

1.	Name	
	Address	
	E-mail ID	
	Signature	_____ or failing him
2.	Name	
	Address	
	E-mail ID	
	Signature	_____ or failing him
3.	Name	
	Address	
	E-mail ID	
	Signatur	

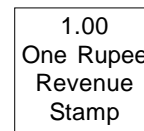
as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 29th Annual General Meeting of the Company to be held on the Tuesday the 30th of September, 2014 at 11.00 a.m., at Registered Office # 8-2-293/82A/408A, Plot No. 408A, Road No:22A, Jubilee Hills, Hyderabad - 500033 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
1	Adoption of Financial Statements for the year ended 31st March, 2014 along with the Report of Board of Directors and Auditors thereon.
2	Re appointment of M/s Satyanarayana & Co., Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of 29th Annual General Meeting till the conclusion of 32nd Annual General Meeting at a remuneration as may be decided by the Board of Directors.
3	Appointment of Mr. Anand Deshmukh as an Independent Director
4	Appointment of Mr. K.V. Srinivasa Rao as an Independent Director
5	Appointment of Mr. G. Ramesh Babu as an Independent Director

Signed this _____ day of September, 2014

Signature of the Shareholder:

Signature of the Proxy holder(s):



NOTE: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED

Regd. Office : # 8-2-293/82A/408A, Plot No. 408A, Road No:22A,
Jubilee Hills, Hyderabad - 500033

Phone: 9032008866, Fax: 040-23547889

CIN: L52510TG1985PLC043347

Email id: complaintsofficer@capricornsys-global.com Website: www.capricornsys.com

ATTENDANCE SLIP

**PLEASE BRING THIS ATTENDANCE SLIP DULY COMPLETED WITHOUT FAIL AND HAND IT
OVER AT THE ENTRANCE FOR OBTAINING ENTRY PASS**

I / We hereby record my / our presence at the 29th Annual General Meeting of CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED held at Registered Office # 8-2-293/82A/408A, Plot No. 408A, Road No:22A, Jubilee Hills, Hyderabad - 500033 on Tuesday the 30th of September, 2014 at 11.00 A.M.

Name of the Shareholder:

Folio No. / Client ID / DP ID:

Name of the proxy / representative, if any:

I certify that I am a registered Shareholder / Proxy for the Shareholder of the Company

Signature of the Shareholder / Proxy

Notes:

1. Attendance slip which is not complete in all respects shall not be accepted.
2. The registration counter will remain open between 10.00 A.M to 11.00 A. M.
3. Joint Shareholders may obtain additional attendance slip on request.

PRINTED MATTER

If Undelivered Please Return to :
Capricorn Systems Global Solutions Ltd.,
REGISTERED OFFICE
8-2-293/82A/408A, Plot No. 408A, Road No:22A,
Jubilee Hills, Hyderabad - 500033

Anjana Graphics
98494 79396