

# CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED

**Dated:** 01/10/2019

To

**Bombay Stock Exchange Limited**

25<sup>th</sup> Floor, P J Towers

Dalal Street,

Mumbai – 400 001

Dear Sir/Madam,

**Sub:** Submission of Annual Report for financial year 2018-2019 under regulation 34 of SEBI (LODR) Regulation 2015- Reg.

**Ref:** Scrip Code – 512169

In compliance with regulation 34 of SEBI (LODR) Regulations 2015, we are herewith submitting the Annual Report for the financial year 2018-2019 of the company for your information and records.

Thanking you,

*for* **Capricorn Systems Global Solutions Limited**

**Manmohan Rao Suddhala**

**Managing Director**

**DIN: 00109433**

**34th**  
**ANNUAL REPORT**  
**2018-2019**

**Capricorn Systems**  
**Global Solutions Limited**

**BOARD OF DIRECTORS**

- |                                  |   |
|----------------------------------|---|
| 1. Mr. S. Man Mohan Rao          | Managing Director                             |
| 2. Mr. Ramakrishna Konchada      | Director (Resigned on 29/05/2019)             |
| 3. Mr. Anand Balwantrao Deshmukh | Director (Resigned on 29/05/2018)             |
| 4. Mr. K.V. Srinivasa Rao        | Director                                      |
| 5. Mrs. Lakshmi Gurram           | Director                                      |
| 6. Mr Valluri Chandra Rao        | Additional Director (Appointed on 14/02/2019) |

**Registered Office :**

Plot No. 400, H.No. 8-2-293/82A/400,  
Road No: 22A,  
Jubilee Hills,  
Hyderabad – 500 033.  
Email id: complianceofficer@capricornsys-global.com  
CIN: L52510TG1985PLC043347

**Auditors:**

**M/s. CMT & Associates**

Chartered Accountants,  
Flat No. 101, B-Block,  
Prestige Rai Towers, H.No. 6-3-664,  
Inside Croma Building, Opp. NIMS,  
Punjagutta, Hyderabad - 500082  
Ph : 040-40151553

**Secretarial Auditors:**

**M/S AAKASH AGARWAL**

# 102, 1st Floor, Pragathi Chambers,  
Near Basheer Bagh Flyover, Hyderabad - 500029.  
Phone: +91-9030544604  
Email : aakashagarwal.cs@gmail.com

**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.**

**Company Secretary :**

**Ms. Maruthi Padmaja Prayaga**  
(Appointed on 14/11/2018)

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Fourth (34th) Annual General Meeting of the members of **CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED** will be held on Monday the 30th September, 2019 at the registered office of the Company situated at Plot No. 400, H.No. 8-2-293/82A/400, Road No: 22A, Jubilee Hills, Hyderabad 500 033. at 11.30 A.M., to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2019, including the audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss for the year ended on that date, the cash flow statement for the year ended and the reports of the Board of Directors ('the Board') and Auditors thereon.

### SPECIAL BUSINESS:

2. Appointment of Mr. Valluri Chandra Rao (DIN: 08329674) as an Independent Director for 5 years  
To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 49 of Listing Agreement, Mr. Valluri Chandra Rao (DIN: 08329674), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th February, 2019 is be and is hereby ratified and in respect of whom the Company has received a notice in writing from a member along with deposit of the requisite amount as required under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director subject to approval by the stock exchange, be and is hereby appointed as an Independent Director of the Company, to hold the office as such for a period of 5 (five) consecutive years for a term upto the conclusion of the Annual General Meeting of the Company in the Calendar Year 2019”.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all such steps and actions for the purposes of making all such filings as may be required in relation to the aforesaid appointment and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

Place: Hyderabad  
Date: 30-08-2019

By order of the Board  
**For Capricorn Systems Global Solutions Limited**  
**S. Man Mohan Rao**  
Managing Director  
DIN : 00109433

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**  
**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 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. Pursuant to Regulation 42 of SEBI (Listing obligations and disclosure requirements regulations 2015) read with Section 91 of the Companies Act, 2013 the Register of Members and Register of Share Transfer Books of the Company will remain closed from 23rd September, 2019 to 30th September, 2019 (both days inclusive).
3. 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.
4. Statement as required under the provisions of Section 102 (1) of the Companies Act, 2013 is enclosed to this notice.
5. Members / Proxies should bring the Attendance slips duly filled in for identification for attending the meeting.
6. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the Meeting.
7. In accordance with Section 101 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, the Annual Report (Audited Financial Statements, Directors Report, Auditors Report etc.) is being sent to the shareholders in electronic form to the email address registered with their Depository Participant (in case of electronic shareholding) the Company's Registrar and Share Transfer Agents (in case of physical shareholding).  
We, therefore request and encourage you to register your email ID in the records of your Depository Participant (in case of electronic holding) the Company's Registrar and Share Transfer Agents (in case of physical shareholding) mentioning your folio no./Demat account details. However, in case you wish to receive the above shareholder communication in paper form, you may write to the Company's Registrar and Share Transfer Agents M/s Venture Capital and Corporate Investments Pvt. Ltd. Unit: Capricorn System Global Solutions Limited or send an email at mentioning your folio no. / Demat account details.  
The soft copy of the Annual Report 2018 2019 can also be downloaded from the company's website i.e., [www.capricornsys-global.com](http://www.capricornsys-global.com)
8. Requests for transfer of physical shares received during the period of book closure shall be considered only after the reopening of Books.
9. Shareholders may avail the nomination facility under Section 72 of the Companies Act, 2013. The relevant nomination form is appended to this notice.
10. SEBI has made it mandatory for every participant in the securities / capital market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details off PAN along with a Photocopy of both sides of the

PAN card, duly attested, to the Registrar and Share Transfer Agents of the Company. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Friday, the 27th September, 2019 from 9.00 A.M. (09.00 Hrs) and will ends on Sunday the 29th September, 2019 at 5.00 P.M. (17.00 Hrs). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (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](http://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*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> </ul>
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.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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.

The Scrutinizer, after scrutinising the votes cast at the meeting (Insta Poll) and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock

Exchanges. xi. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 13, 2019.

- (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 same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store.
- (xix) Note for Non Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on 25th September, 2019 at 9.00 a. m., and ends on 27th September, 2019 at 5.00 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](http://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, after scrutinising the votes cast at the meeting and through remote e-voting, will, not

later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.

- III. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. 30th September, 2019.

### Explanatory Statement (Pursuant to Section 102 of Companies Act 2013)

#### PROFILE OF Mr. VALLURI CHANDAR RAO (DIN: 08329674)

VALLURI CHANDAR RAO has joined the Board of the company on 14-2-2019 He is a non executive Independent Director of the company. He is a Graduate in Commerce having more than 25 years of experience Accounts, finance and banking areas

#### DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (Pursuant to Clause 49 of the Listing Agreement)

Particulars	Mr. Valluri Chandra Rao
Date of Birth	15-06-1970
Date of Appointment	14-02-2019
Qualification	Graduate
Experience in Specific Functional Area	Services
Chairmanship / Directorship of other companies including Foreign Companies and section 25 Companies	1
Chairmanship / Membership of other Public Companies	NIL
No. of Shares held in the Company	NIL

Place: Hyderabad  
Date: 30/08/2019

By Order of the Board of Directors  
**S. MANMOHAN RAO**  
Managing Director  
DIN : 00109433

#### Registered Office:

Plot No. 400, H.No. 8-2-293/82A/400, Road No: 22A, Jubilee Hills,  
Hyderabad 500 033. Phone: 9032008866  
Fax: 040-23547889



**BOARD'S REPORT**

To,  
The Members,  
CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED

Your Directors have pleasure in presenting the 34th (Thirty Fourth) Annual Report of your Company together with the Audited Accounts for the financial year ended 31st March, 2019 and the report of the Auditors thereon.

**FINANCIAL RESULTS**

The summarized results of your Company are given in the table below:

(Figures in Rs.) (Figures in Rs.)

Particulars	31-03-2019	31-03-2018
Revenue from Operations	3,71,00,148	3,57,67,575
Other Income	0	0
<b>Total Income</b>	<b>3,71,00,148</b>	<b>3,57,67,575</b>
Employee Benefit Expense	3,27,20,715	3,12,27,236
Depreciation and Amortization Expense	3,14,559	3,77,210
Other Expenses	42,75,832	37,10,153
<b>Total Expenditure</b>	<b>3,73,11,106</b>	<b>3,53,14,599</b>
<b>Profit from operations before other income</b>	<b>(2,10,958)</b>	<b>4,52,976</b>
Other Income	8,37,260	12,34,573
<b>Profit/(Loss) Before finance costs and exceptional items</b>	<b>6,26,302</b>	<b>16,87,549</b>
Less : Finance Cost	6,41,361	11,91,719
Profit / (Loss) Before Tax	(15,059)	4,95,830
Less : Tax Expense	52,693	2,75,685
Other Comprehensive Income (Net of Tax)	(1,35,12,773)	-
<b>Profit / (Loss) for the year after Tax</b>	<b>(1,35,80,524)</b>	<b>2,20,146</b>

**THE STATE OF THE COMPANY AFFAIRS**

The operations of the company have been constant over the years. The revenue of the company has witnessed a marginal increase during the year. However some of the long term contracts that the company is entered have come up for review during the year and the company was successful in extending the same for a shorter period of time ranging from 6-9 months. Considering the impact of the possible closure of some of the contracts company is making efforts to acquire new contracts from various sources.

**REVIEW OF OPERATIONS:**

Turnover for the year ended 31st March, 2019 was Rs. 3,71,00,148/- as against Rs. 35,767,575/- in the previous year. The Net Profit for the year was at Rs. (1,35,80,524) as against Rs 2,20,146/- in the previous year.

Material Changes and Commitments, if any, affecting the Financial Position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

There are no Material Changes and Commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

## **APPROPRIATION**

### **INDUSTRY STRUCTURE AND DEVELOPMENT:**

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. The industry is expected to grow at the moderate rate compared to the earlier period and the company is expecting to expand its business areas to capitalize on the its long standing tract record for its growing.

### **LISTING OF EQUITY SHARES:**

The Company's Equity shares are presently listed on BSE Limited and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the financial year 2018-2019

### **DIVIDEND**

To conserve the resources in the Expansion of the business operations, your directors did not recommend any dividend during the year.

### **TRANSFER TO RESERVES**

There was transfer of Rs (1,35,80,524)/- to Reserves during the financial year under report.

### **SHARE CAPITAL**

The Authorized Share Capital of the Company remains unchanged during the financial year 2018-19

### **CHANGE IN NAUTURE OF BUSINESS, IF ANY:**

During the year under review, there has been no change in the nature of business of the Company.

### **PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY COMPANY:**

The Company does not have any subsidiaries or associate companies. Hence the required information under this head is not being attached to the report.

### **CORPORATE GOVERNANCE:**

The Corporate Governance Report and a certificate by the Statutory Auditors regarding compliance of the conditions of corporate governance by your Company as stipulated in Listing Regulations SEBI 2015 of the Listing Agreement with Stock Exchanges are annexed to this Report.

### **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

All the Independent Directors have given declarations of Independence, as required pursuant to Section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

### **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors duly met 5 times during the year viz 29.05.2018, 14.08.2018, 31.08.2018, 14.11.2018, 14.02.2019. The intervening gap between any two Board Meetings was within the period prescribed under the provisions of the Companies Act, 2013. All the recommendations given by the Audit Committee are accepted by the Board.

## **CHANGE OF DIRECTORS AND MANAGEMENT**

During the financial year under the review, there is change in the constitution of the Board of Company.

During the financial year, as per Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 49 of Listing Agreement, Mr. Valluri Chandra Rao (DIN: 08329674) was appointed as Additional Director of the company from 14/02/2019.

During the year, Mr Anand Balwantrao Deshmukh, Independent Director [DIN: 03110963] was disqualified u/s 164 (2) of companies act, 2013, the director resigned from the board dated 29/05/2018 as per section 167 of the act and under disqualification provisions as applicable.

During the financial year, pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration) Rules, 2014 Ms Maruthi Padmaja P was appointed as Company Secretary of Company w.e.f 14/11/2018.

A certificate from M/s. Aakash Agarwal, a practicing Company Secretary has been procured that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority and forms part of this report.

## **AS PER THE PROVISIONS OF INDEPENDENT DIRECTORS**

The performance of the Individual Directors on the Board and the Committees thereof is done by the Board and the Independent Directors in their exclusive meeting done as per the policy formulated by the Board in this regard.

## **INTERNAL FINANCIAL CONTROL**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the management, the directors hereby confirm that:

- i. In the preparation of the annual accounts for the financial year 2018-19, the applicable accounting standards have been followed and there are no material departures;
- ii. 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 the financial year;
- iii. and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. prepared the annual accounts on a going concern basis;
- v. laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and

- vi. devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

#### **RISK AND RISK MITIGATION POLICY:**

The operations of the company are dependent on the export to overseas markets. The international economic environment directly influences the spending patterns of the industry on the Information Technology. Also with the growing demand for the skilled manpower and ever growing business environment poses risk of availability of skilled man power. With the employee friendly policies the company pursued the employee retention rate has been very high in the company.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

Your Company does not fall under any of the criteria specified under the provisions of Companies Act, 2013. Hence the Company has not constituted any committee and is not required to furnish information required under the provisions of the said Act.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

There have been no loans, guarantees and investments under Section 186 of the Act during the financial year 2018-2019.

#### **TRANSACTIONS WITH RELATED PARTIES:**

There are related party transactions during the year except that entered in the ordinary course of business and on arm's length basis. There were no materially significant related party transactions between your Company and the Directors, promoters, Key Managerial Personnel and other designated persons which may have a potential conflict with the interest of company at large.

Form AOC 2 for disclosure of particulars of contracts / arrangements, entered into by your company with related parties is attached herewith as Annexure I.

#### **TECHNOLOGY ABSORPTION, ENERGY CONSERVATION & FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information in accordance with clause (m) of sub section (3) of Section 134 of the Companies Act, 2013 is annexed herewith as Annexure II.

#### **DIRECTORS REPORT:**

Particulars of employees pursuant to Section 134 (3) (q) and Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2019 as Annexure III.

#### **PARTICULARS OF EMPLOYEES:**

There are no employees in the company whose names are required to be furnished as per the information and statement containing particulars of employees required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (1) and Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Nomination and remuneration committee of the Company has affirmed that the remuneration is as per the Remuneration policy of the Company.

Your Directors take this opportunity to record their deep appreciation of the continuous support and contribution from all employees of the Company.

**EXTRACT OF ANNUAL RETURN:**

As required under Sub-Section (3) of Section 92 of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of Annual Return in Form MGT 9 forms part of this report as Annexure IV.

**DEPOSITS:**

During the year under review your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

**SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s Aakash Agarwal, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2018-2019. The Secretarial Audit report is annexed herewith as Annexure V

**DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. During the financial year 2018-2019, the Company has not received any complaints on sexual harassment.

**GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP referred to in this Report.
4. Cost Audit is not applicable for the financial year 2018-19.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

**ACKNOWLEDGEMENT**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

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

Place: HYDERABAD  
Date : 30th August 2019

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

## Form No. 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)

Form for disclosure of 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 arm's length transactions under third proviso thereto:

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

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2018-19.

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

- |   |   |  |
|---|---|--|
| a) Name(s) of the related party and nature of relationship                                    | : | Capricorn Systems Inc., an entity which is owned by relative of the Director |
| b) Nature of contracts/arrangements/transactions  | : | Sales of Services  |
| c) Duration of the contracts/arrangements / transactions                                      | : | On going   |
| d) Salient terms of the contracts or arrangements or transactions including the value, if any | : | Running of Services as per the requirements of the Client.                   |
| e) Date of approval by the Board  | : | 14th August, 2018  |
| f) Amount paid as advances, if any  | : | NIL  |

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

Place: HYDERABAD  
 Date : 30th August 2019

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

**Annexure – II to the Directors Report**

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report

**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:**

- a. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans:
- b. Total Foreign Exchange used and earned:

S.No.	Particulars of the transaction	2018 - 2019 (Rs. in Lakhs.)	2017 - 2018 (Rs. in Lakhs)
1.	<b>Total Foreign Exchange earnings</b>	380.80	366.74
2.	Foreign Exchange outgo	Nil	Nil

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

Place: HYDERABAD  
Date : 30th August 2019

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

### Annexure – III to the Directors Report

Particulars of employees pursuant to Section 134 (3) (q) and Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2019

S. No.	Requirements of Rule 5 (1)	Details
1	Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018 – 19	1.50
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 2018 – 19	Nil
3	The percentage increase in the median remuneration of employees in the financial year 2018 – 19	Nil
4	The number of permanent employees on the rolls of the Company as on 31st March, 2019	40
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	No increase in remuneration of Directors as compared to previous year
6	Affirmation that the remuneration is as per the remuneration policy of the company	Remuneration paid during the year ended 31st March, 2019 is as per the Remuneration policy of the Company.



Statement pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2019

(A) Personnel who are in receipt of remuneration aggregating not less than Rs.1,02,00,000 per annum and employed through out of the financial year						
Name	Designation & Nature of Duties	Remuneration (Gross)	Qualification	Date of Commencement of Employment	Age in Years	Last Employment
NIL						

(B) Personnel who are in receipt of remuneration aggregating not less than Rs.8,50,000 per month and employed for part of the financial year						
Name	Designation & Nature of Duties	Remuneration (Gross)	Qualification	Date of Commencement of Employment	Age in Years	Last Employment
NIL						

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

Place: HYDERABAD  
 Date : 30th August 2019

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

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**Pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)**

To,  
 The Members  
**CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED**  
 Registered Office :Plot No.400, Badarinarayankrupa Building,  
 H.No. 8-2-293/82/A/400,  
 Road No. 22/A, Jubilee Hills,  
 Hyderabad-500033, Telangana.

Dear Members,

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Capricorn Systems Global Solutions Limited (CIN: L52510TG1985PC043347) (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

However during the year, Mr Anand Balwantrao Deshmukh, Independent Director [DIN: 03110963] was disqualified u/s 164 (2) of companies act, 2013 by Registrar of companies, the director resigned from the board dated 29/05/2018 as per section 167 of the act and under disqualification provisions as applicable.

S.No.	Name of the Director	DIN	Date of Appointment
1	Mr Manmohan Rao Suddhala	00109433	27/05/2004
2	Mr Kollu Venkata Srinivasa Rao	02834578	30/06/2008
3	Mrs. Lakshmi Gurram	07145515	31/03/2015
4	Mr. Rama Krishna Konchada	08056819	14/08/2018
5	Mr. Valluri Chandra Rao	08329674	14/02/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

Sd/-  
**Aakash Agarwal**  
 Practicing Company Secretary  
 M. No.: 42866  
 C.P. No.: 19466

Place: Hyderabad  
 Date: 30/08/2019

**“ANNEXURE IV”  
FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on Financial year ended on 31-03-2019**

**Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Company  
(Management & Administration) Rules, 2014**

**I. REGISTRATION & OTHER DETAILS :**

1.	CIN	L52510TG1985PC043347
2.	Registration Date	16/03/1985
3.	Name of the Company	CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED
4.	Category / Sub-Category of the Company	Public Company / Limited by Shares
5.	Address of the Registered Office & Contact Details	Plot No. 400, H.No. 8-2-293/82 A/400, Road No. 22A, Jubilee Hills, Hyderabad - 500033 Telephone - 040-23547889 Fax : 040-23547889 Email : dmadhav08@yahoo.com Website : www.capricornsys-global.com
6.	Whether listed Company	Yes
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any	VENTURE CAPITAL AND CORPORATE INVESTMENT PRIVATE LIMITED 12-10-167, Bharat Nagar, Hyderabad - 500018. Telephone : 040-23818475 / 76 Fax : 040-23868024 Email : info@vccilindia.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)

S.No.	Name and Description of Main Products / Services	NIC Code of the Products / Service	% to Total Turnover of the Company
1.	Computer Programming, Consultancy and related activities	620	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

S.No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	NIL	NIL	NIL	N.A.	N.A.

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

## Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year (As on 31-March-2018)				No. of Shares held at the beginning of the year (As on 31-March-2019)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individuals/ HUF	2115385	NIL	2115385	52.94	2115385	NIL	2115385	52.94	NIL
b. Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. Bodies Corp	<b>268600</b>	<b>NIL</b>	<b>268600</b>	<b>6.72</b>	<b>268600</b>	<b>NIL</b>	<b>268600</b>	<b>6.72</b>	<b>NIL</b>
e. Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f. Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total Share holding of (A)1</b>	<b>2383985</b>	<b>NIL</b>	<b>2383985</b>	<b>59.66</b>	<b>2383985</b>	<b>NIL</b>	<b>2383985</b>	<b>59.66</b>	<b>NIL</b>
<b>2. Foreign</b>									
a. NRI Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Other Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total (A) 2	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>TOTAL (A)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
1. Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a. Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e. Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f. Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

g. FIIS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h. Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i. Other (Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub Total (B)(1)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>2. Non-Institutions</b>									
a. Bodies Corp									
i. Indian	313926	NIL	313926	7.86	113826	NIL	113826	2.85	-5.01
ii. Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i. Individual shareholders holding nominal share capital upto Rs.2lakh	150165	20000	170165	4.26	158265	12500	170165	4.27	0.02
ii. Individual shareholders holding nominal share capital excess Rs.2lakh	1075804	50000	1125804	28.17	1275804	50000	1325804	33.18	5
c. Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non Resident Indians	600	NIL	NIL	0.02	600	NIL	NIL	0.02	NIL
Overseas Corporate Bodies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Nationals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Clearing Members	1520	NIL	1520	0.04	1020	NIL	1020	0.03	-0.1
Trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Bodies - D R	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub Total (B) (2)</b>	<b>1542015</b>	<b>70000</b>	<b>1612015</b>	<b>40.34</b>	<b>1549515</b>	<b>62500</b>	<b>1612015</b>	<b>40.34</b>	<b>NIL</b>
Total Public Shareholding (B) = (B)(1)+ (B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	<b>3926000</b>	<b>62500</b>	<b>3996000</b>	<b>100</b>	<b>3926000</b>	<b>70000</b>	<b>3996000</b>	<b>100</b>	<b>NIL</b>

**B. Share holding of Promoter :**

S. 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.	S. Manmohan Rao	1707223	42.72	NIL	1707223	42.72	NIL	NIL
2.	G. Surender Reddy	300000	7.51	NIL	300000	7.51	NIL	NIL
3.	Laxmi Twisters Pvt Ltd.	268600	6.72	NIL	268600	6.72	NIL	NIL
4.	S. Sarala Devi	88064	2.20	NIL	88064	2.20	NIL	NIL
5.	I. Deepa	20098	0.50	NIL	20098	0.50	NIL	NIL

**C) Change in Promoters' Shareholding (please specify, if there is no change) :**

S. No.	Particulars	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
1.	<b>S. MANMOHAN RAO</b>				
	At the beginning of the year	<b>1707223</b>	<b>42.72</b>	<b>1707223</b>	<b>42.72</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/bonus/sweat equity etc.) - (*)	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	At the end of the year	<b>1707223</b>	<b>42.72</b>	<b>1707223</b>	<b>42.72</b>
2.	<b>S. SARALA DEVI</b>				
	At the beginning of the year	<b>88064</b>	<b>2.20</b>	<b>88064</b>	<b>2.20</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ seat equity etc.) - (*)	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	At the end of the year	<b>88064</b>	<b>2.20</b>	<b>88064</b>	<b>2.20</b>
3.	<b>I. DEEPA</b>				
	At the beginning of the year	<b>20098</b>	<b>0.50</b>	<b>20098</b>	<b>0.50</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ seat equity etc.) - (*)	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	At the end of the year	<b>20098</b>	<b>0.50</b>	<b>20098</b>	<b>0.50</b>

S. No.	Particulars	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
4.	<b>SURENDER REDDY GARLAPATI</b>				
	At the beginning of the year	<b>300000</b>	<b>7.51</b>	<b>300000</b>	<b>7.51</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/bonus/sweat equity etc.) - (*)	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	At the end of the year	<b>300000</b>	<b>7.51</b>	<b>300000</b>	<b>7.51</b>
5.	<b>LAXMI TWISTERS PRIVATE LIMITED</b>				
	At the beginning of the year	<b>268600</b>	<b>6.72</b>	<b>268600</b>	<b>6.72</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ seat equity etc.) - (*)	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	At the end of the year	<b>268600</b>	<b>6.72</b>	<b>268600</b>	<b>6.72</b>

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

Sl. No.	For each of to 10 Shareholders	Shareholding at the beginning of		Cumulative Shareholding at end of the	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Raj Kumar	173900	4.35	373900	9.36
2	Shah Kirit .M	295539	7.40	295539	7.40
3	Suresh K Jajodia	100000	2.50	100000	2.50
4	Raj Kumar	71255	1.78	71255	1.78
5	Dhanraj Ashok Jalan	60000	1.50	60000	1.50
6	Chandra Shekhar Bhatt	51600	1.29	51600	1.29
7	Geremella Shesha Chalapathi Rao	51000	1.28	51000	1.28
8	Nupur Kamalakant Garg	50000	1.25	50000	1.25
9	Pinky Jajodia	44800	1.12	44800	1.12
10	Anurag Jajodia	30000	0.75	44800	0.75

**E Shareholding of Directors and Key Managerial Personnel :**

S. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the during of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1.</b>	<b>Mr. S. Man Mohan Rao</b>				
	At the beginning of the year	1707223	42.72	1707223	42.72
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL
	At the end of the year	1707223	42.72	1707223	42.72
<b>2.</b>	<b>Mr. K.V. Srinivasa Rao</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
<b>3.</b>	<b>Mrs. Gurram Lakshmi</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
<b>4.</b>	<b>Mr. Rama Krishna Konchada</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
<b>5.</b>	<b>Mr. Valluri Chandra Rao</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL



**V. INDEBTEDNESS** - Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>	<b>99,81,941</b>			<b>99,81,941</b>
i) Principal Amount	1,00,00,000	NIL	NIL	1,00,00,000
ii) Interest due but not paid	1,11,210	NIL	NIL	1,11,210
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total ( i+ ii + iii )</b>	<b>1,00,93,151</b>	<b>NIL</b>	<b>NIL</b>	<b>1,00,93,151</b>
<b>Change in Indebtedness during the Financial Year</b>				
* Addition				
* Reduction	38,28,539	NIL	NIL	38,28,539
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	61,63,940	NIL	NIL	61,63,940
ii) Interest due but not paid	1,00,672	NIL	NIL	1,00,672
iii) Interest accrued but not due				
<b>Total ( i + ii + iii )</b>	<b>62,64,612</b>	<b>NIL</b>	<b>NIL</b>	<b>62,64,612</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -**

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

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
<b>1.</b>	<b>SUDDALA MAN MOHAN RAO</b>	<b>Director</b>	
	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs.50,000 per month	Rs.6,00,000 pa.
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of Profit - others, specify...		
5.	Others, please specify		
	<b>Total (A)</b>	<b>Rs.50,000 per month</b>	<b>Rs.6,00,000 p.a.</b>
	Ceiling as per the Act	Rs.242,00,000 p.a.	

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -**

**B. Remuneration to Director and/or Manager :**

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
<b>1.</b>	<b>GURRAM LAKSHMI</b>	<b>Director</b>	
a.	Others, please specify - Sitting Fee	Rs.6000/- per month	Rs.72,000/- p.a.
	<b>Total (B)</b>	<b>Rs.6,000 per month</b>	<b>Rs.72,000 p.a.</b>

**C. Remuneration to other Directors : NIL**

S.No.	Particulars of Remuneration	---	---	---	---	Total Amount
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B) = (1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**D. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD : NIL**

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1.	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1,00,000		1,00,000
	b) Value of perquisites u/s 17(2) Income-tax 1961				
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify				
5	Others, please specify				
	<b>Total</b>		<b>1,00,000</b>		<b>1,00,000</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

There were no Penalties / Punishment / Compounding of offences for the year ending 31st March, 2019

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED March 31, 2019  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED**  
(L52510TG1985PLC043347)  
Plot No400, H.No. 8-2-293/82A/400,  
Road No. 22A, Jubilee Hills,  
HYDERABAD, Telangana-500033

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED(hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, forms and returns filed and other records and minutes as maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, forms and returns filed except minute's books and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

The Companies Act, 2013 (the "Act") and the rules made there under and other applicable provisions of the Companies Act, 1956 which are still in force;

- (1) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (2) The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- (3) Foreign Exchange Management Act, 1999 and the rules made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, if any;
- (4) 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 - Not applicable to the Company during the Audit Period
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee benefits) Regulations, 2014 notified on 28th October, 2014 Not applicable to the Company during the Audit Period
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 Not applicable to the Company during the Audit Period
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company during the Audit Period
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 Not applicable to the Company during the Audit Period
- i. The Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015
- j. Other Laws specifically applicable to the Company as per the representations made by the management, such as;
  - (a) Information Technology Act, 2000;
  - (b) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
  - (c) Employees' State Insurance Act, 1948
  - (d) The Payment of Bonus Act, 1965
  - (e) The Payment of Gratuity Act, 1972
  - (f) Goods and Service Tax Act, 2017

I have also examined compliance with the applicable clauses of the following:

- i) The Listing Agreements entered into by the Company with BSE Limited.
- ii) Secretarial Standards issued by the Institute of Company Secretaries of India to the extent notified

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

**I further report that:**

- As per the provisions of section 203 of companies act, 2013 and rules made thereunder, Company has appointed Mr. Madhav Rao Dundigalla as Chief Financial Officer dated 12th April, 2019.
- The Board of Directors and committees of the Company is not properly constituted since there is no proper balance of Executive and Non-Executive Directors.
- 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.
- Company has provided minutes for financial year 2018-2019.

**I further report that:**

- There is no director being considered to retire by rotation;

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.

I report further that, during the audit period, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company's affairs.

Sd/-

**Aakash Agarwal**

Practising Company Secretary

M. No. 42866

C.P. No. 19466

Place: Hyderabad

Date : 30-08-2019

**“ANNEXURE A”**

To,  
The Members  
**CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED**  
(L52510TG1985PLC043347)  
Plot No400, H.No. 8-2-293/82A/400,  
Road No. 22A, Jubilee Hills,  
HYDERABAD, Telangana-500033

I report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
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.

Sd/-  
**Aakash Agarwal**  
Practising Company Secretary  
M. No. 42866  
C.P. No. 19466

Place: Hyderabad  
Date : 30-08-2019

## MANAGEMENT DISCUSSION AND ANALYSIS:

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

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

### REVIEW OF OPERATIONS:

The operations of the company during the year has been consistent with the performance in the immediately preceding years

### FINANCIAL REVIEW:

The Company has achieved a total turnover of INR. 371.00 Lakhs. The Gross Profit (earnings before interest, depreciation and taxes) was INR. 9.41 Lakhs. The paid-up share capital as at 31st March 2019 amounts to Rs.399.60 Lakhs.

### OPPORTUNITIES:

The primary market for the services rendered by the company is United States of America. There has not been significant growth in the sector over the past one year and a moderate growth is expected in the ensuing year too. The company with its long standing relations with the customers which are under review in the current year and some of the same may have to be renegotiated. With a proven track record of delivering services as per the terms agreed with the customers, is confident of identifying the new areas of business with the existing customers and also 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 at a moderate rate and CSGSL is targeting a growth rate of around 10% 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. The management was not identified any risk which threaten the existence or going concern nature of the company.

### 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 40 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.

## 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 5 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 2018-2019 on the following dates: 29/05/2018, 14/08/2018, 31/08/2018, 14/11/2018 & 14/02/2019.

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 2018 to March 2019), 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 Director)	5	YES	1	Nil
Sri K.V. Srinivasa Rao (Non Promoter and Independent Director)	5	YES	2	1
Smt. Lakshmi Gurram (Non Promoter and Independent Director)	5	YES	Nil	Nil
Sri Rama Krishna Konchada (Non Promoter and Independent Director)	3	YES	1	0



Name of the Director and category of Directorship	Other Directorship
Sri S. Man Mohan Rao (Promoter and Director)	1
Sri K.V. Srinivasa Rao (Non Promoter and Independent Director)	2
Smt. Lakshmi Gurram (Non Promoter and Independent Director)	NIL
Sri Rama Krishna Konchada (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
1.	Sri K.V. Srinivasa Rao	Nil
2.	Smt. Lakshmi Gurram	Nil
3.	Sri Rama Krishna Konchada	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](http://www.capricornsys-global.com).

#### 1. AUDIT COMMITTEE:

Composition, Names of Members & Chairperson and terms of reference

The Audit Committee Board comprises of 3 Non-Executive Independent Directors and 1 Non Independent Director. Sri K.V. Srinivasa Rao 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 K.V. Srinivasa Rao	Chairman
2.	Sri S. Man Mohan Rao	Member
3.	Sri Rama Krishna Konchada	Member
4.	Smt. Lakshmi Gurram	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. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. 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.
9. 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.
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 review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
17. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee. 6 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 K.V. Srinivasa Rao	5
2.	Smt. Lakshmi Gurram	5
3.	Sri Rama Krishna Konchada	5

## 2. REMUNERATION COMMITTEE:

The Remuneration Committee was consists of Mr. G. Ramesh Babu as chairman , Sri AnandDeshmukh and Sri K. V. SrinivasaRao 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. SrinivasaRao 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. MadhavRao, Compliance Officer

## CEO CERTIFICATION:

As required by Listing Regulations SEBI (Listing obligations and disclosure requirements regulations 2015) of the Listing Agreement, the Managing Directors certification is provided elsewhere in the Annual Report.

**4. AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE:**

As required by Listing Regulations SEBI (Listing obligations and disclosure requirements regulations 2015) of the Listing Agreement, the Auditors' certification is provided elsewhere in the Annual Report.

**5. GENERAL BODY MEETINGS:**

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

Year	Location	Date	Time
2017-2018	Plot No. 400, H.No. 8-2-293/82A/400, Road No. 22, Jubilee Hills, Hyderabad - 500 033.	29-09-2018	11.30 A.M.
2016-2017	# 8-2-293/82A/408A, Plot No. 408A, Road No. 22A, Jubilee Hills, Hyderabad - 500 033.	28-09-2017	11.00 A.M.
2015-2016	# 8-2-293/82A/408A, Plot No. 408A, Road No. 22A, Jubilee Hills, Hyderabad – 500 033	30-09-2016	11.00 A.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.

**6. 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 1.6 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.

**7. MEANS OF COMMUNICATION:**

No half-yearly reports were sent to the shareholders. Quarterly results are published in English and in Vernacular Language The results of the Company are displayed on [www.capricornsys-global.com](http://www.capricornsys-global.com) Management Discussion and Analysis forms part of the Annual Report and is provided elsewhere in this report.

**8. GENERAL SHAREHOLDER INFORMATION:**

A. Details of the ensuing Annual General Meeting

Date	Day	Time	Venue
30-09-2019	Monday	11.30 AM	Plot No. 400, H.No. 8-2-293/82A/400, Road No. 22A, Jubilee Hills, Hyderabad – 500 033

**B. Financial Calendar: 1st April, 2019 to 31st March, 2020**

1st Quarterly	Half Yearly	3rd Quarter	4th Quarter
August 2019	November 2019	February 2020	May 2020

**C. Date of Book Closure:**

24th September, 2019 to 30th September, 2019 (both days inclusive).

**D. Dividend Payment Date:**

No Dividend is recommended for the financial year 2018 – 2019

**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.

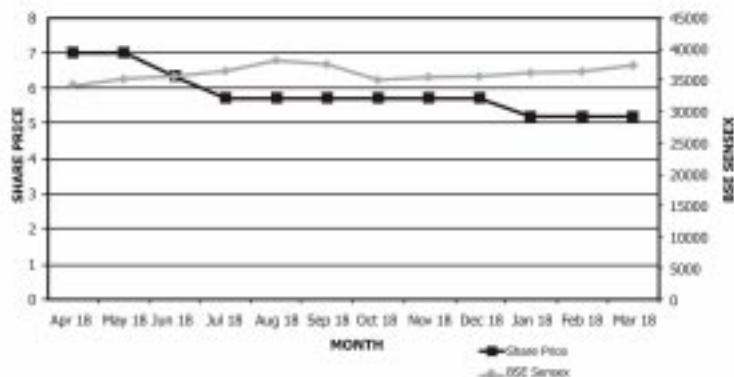
**F. Market Price Date: High/Low during each month in last financial year (2018 – 2019)**

(In Rupees)

Period	The Bombay Stock Exchange Limited (Mumbai)	
	High	Low
April 2018	7.00	7.00
May 2018	7.00	7.00
June 2018	6.65	6.02
July 2018	5.72	5.72
August 2018	5.72	5.72
September 2018	5.72	5.72
October 2018	5.72	5.72
November 2018	5.72	5.72
December 2018	5.72	5.72
January 2019	5.45	4.95
February 2019	5.45	4.95
March 2019	5.19	5.19

**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 31.03.2019 is furnished below:

Category		No. of Holders	No. of Shares	% of shares to Total Equity
From	To			
0	500	198	20,620	0.52
501	1000	8	6,887	0.17
1001	2000	14	20,295	0.51
2001	3000	7	17,944	0.45
3001	4000	1	3,240	0.08
4001	5000	3	12,372	0.31
5001	10000	12	91,573	2.29
10001 & ABOVE		31	38,23,069	95.67
<b>TOTAL</b>		<b>274</b>	<b>39,96,000</b>	<b>100.00</b>

Shareholding pattern as on 31st March 2019

Sl. No.	Category	No. of Shares held	% to the Total Capital
1.	Promoter & Promoter Group	23,83,985	59.66
2.	FII's	0	0.00
3.	Bodies Corporate	1,13,826	2.85
4.	Individuals	14,96,569	37.45
5.	Directors and their relatives	0	0.00
6.	Employees	0	0.00
7.	NRI's	600	0.02
8.	Clearing Members	1020	0.03
	<b>TOTAL</b>	<b>39,96,000</b>	<b>100.00</b>

**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 31.03.2019, 39,33,500 Equity Shares have been dematerialized, constituting 98.43% 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**

Plot No. 400, H.No. 8-2-293/82A/400, Road No: 22A, Jubilee Hills, Hyderabad – 500033

Tel & Fax : 040-23547889

email : complianceofficer@capricornsys-global.com

Development Centre:

Plot No. 400, H.No. 8-2-293/82A/400, 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)

**DECLARATION WITH THE CODE OF CONDUCT OF COMPANY BY THE BOARD  
MEMBERS AND SENIOR MANAGEMENT PERSONAL**

As provided under regulation 34(3) read with Schedule V of the Listing Regulations, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31, 2019

Place: Hyderabad  
Date: 30th August' 2019

**S. MAN MOHAN RAO**  
Managing Director

**CERTIFICATION ON FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31,  
2019 PURSUANT REGULATION 17(8) OF THE LISTING REGULATION**

I hereby certify that:

- a. I have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the period which are fraudulent, illegal or violate the company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit committee
  - i. that there are no significant changes in internal control over financial reporting during the period;
  - ii. that there are no significant changes in accounting policies during the period; and
  - iii. that there are no instances of significant fraud of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Hyderabad  
Date: 30th August 2019

**S. MAN MOHAN RAO**  
Managing Director

**Registered Office:**

Plot No. 400, H.No. 8-2-293/82A/400,  
Road No: 22A, Jubilee Hills,  
Hyderabad – 500 033. Phone: 9032008866  
Fax: 040-23547889



## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

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

We have examined the compliance of Corporate Governance by Capricorn Systems Global Solutions Limited, for the year ended on March 31, 2019, as stipulated in regulation 34(3) read with schedule V of the Listing Regulations.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer and Stakeholders Relationship Committee.

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.

**for CMT & ASSOCIATES**

Chartered Accountants

FRN No. 011515S

Place: Hyderabad.

Date: 29-05-2019

**CA China Masthan T**

Partner

Membership No. 218549

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Capricorn Systems Global Solutions Limited

### Opinion

We have audited the accompanying Ind AS financial statements of Capricorn Systems Global Solutions Limited (“the Company”), which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the statement of and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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, 2019 and its Profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance ( including Other Comprehensive Income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 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 standalone 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 standalone financial statements based on our 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 thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

### Report on Other Legal and Regulatory Requirements

1. 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 it 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 books of accounts.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) Based on writtehn representations received from the directors as on 31st March 2019, and taken on record by the Board of Directors, none of the directors disqualified as on 31st March 2019, from being appointed as a director in terms of section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - (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) There are no pending litigations on the company as on the balance sheet.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. 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 paragraphs 3 and 4 of the Order.

**for CMT & ASSOCIATES**

Chartered Accountants  
FRN No. 0115158

**CA Muneesh Babu S**

Partner  
Membership No. 242526

Place: Hyderabad.

Date: 29-05-2019

**Annexure 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Capricorn System Global Solutions Limited of even date):

**i. In respect of the Company's fixed Assets:**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed assets have been physically verified by the management during the period and no material discrepancies were identified on such verification.
- c. Based upon the audit procedure performed and according to the records of the Company, title deeds of all the immovable properties are held in the name of the Company.
- ii. The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- iii. The Company has not granted any loans to parties covered in the register maintained under section 189 of the companies Act, 2013.
- 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 Act, in respect of loans, investments, guarantees, and security to the extent applicable to it.
- v. According to the information and explanations given to us, the company has not accepted any deposit from the public within the meaning of section 73 to 76 of the Act and the rules framed thereunder. Therefore, the provision of clause 3(v) of the order is not applicable to the Company.
- vi. The Central Government has not prescribed maintenance of cost records under the provisions of Section 148(1) of the Companies Act, 2013 to the company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a. The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax and other applicable statutory dues with the appropriate authorities.
  - b. According to the information and explanations given to us no undisputed amounts payable in respect of outstanding statutory dues as at the last day of the year ending 31st March, 2019 for period exceeding 6 months from the date they became payable.
  - c. There are no statutory dues which are pending to be paid on account of any litigation as at 31st March, 2019.
- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank, and Government or Debenture holders as at the Balance Sheet date.
- ix. According to the information and explanations given to us and based on our verification, the Company has not raised moneys by way of public issue and company has not raised any Term loans during the year and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion, all the transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by applicable accounting standard.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him.
- xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**for CMT & ASSOCIATES**  
Chartered Accountants  
FRN No. 0115158

**CA Muneesh Babu S**  
Partner  
Membership No. 242526

Place: Hyderabad.  
Date: 29-05-2019

**ANNEXURE 'B' TO THE INDEPENDENT AUDIT REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Capricorn Systems Global Solutions Limited of even date)

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 Capricorn Systems Global Solutions Limited ("the Company") as of March 31, 2019 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 controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the 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 Act, 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 judgement, including the assessment of the risks of material misstatements 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 controls 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisitions, 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 limitation 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 to 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, to the best of our information and according to the explanations given to us the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal controls 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 CMT & ASSOCIATES**

Chartered Accountants

FRN No. 0115158

**CA Muneesh Babu S**

Partner

Membership No. 242526

Place: Hyderabad.

Date: 29-05-2019

## BALANCE SHEET AS AT MARCH 31, 2019

	Notes	31-Mar-2019	31-Mar-2018
<b>A ASSETS</b>			
<b>1. Non-Current Assets :</b>			
Property Investment	8	16,42,500	16,42,500
Property, plant and equipment	8	10,56,612	13,71,171
Capital work-in-progress	8	83,50,000	83,50,000
Other Intangible Assets	8	2,00,00,000	2,00,00,000
<b>Financial Assets :</b>			
Investments		-	-
Loans	9	11,62,328	1,34,34,715
Deferred Tax Assets (Net)	10	1,27,595	71,544
Other Non-current Assets	-	-	-
<b>Sub Total - Non-Current Assets</b>		<b>3,23,39,035</b>	<b>4,48,69,931</b>
<b>2 Current Assets :</b>			
Inventories	-	-	-
Investments	-	-	-
Trade Receivables	11	3,55,504	13,25,569
Cash and Cash Equivalents	12	3,19,308	1,16,458
Bank Balances other than Cash and Cash equivalents above	12	18,54,478	23,85,799
Other Current Assets	13	76,22,062	1,38,66,819
<b>Sub Total - Current Assets</b>		<b>1,01,51,352</b>	<b>1,76,94,645</b>
<b>TOTAL ASSETS</b>		<b>4,24,90,387</b>	<b>6,25,64,576</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
Equity Share Capital	1	3,99,60,000	3,99,60,000
Other Equity	2	2,30,533	1,38,11,057
<b>Total Equity</b>		<b>4,01,90,533</b>	<b>5,37,71,057</b>
<b>2 Liabilities</b>			
Non Current Liabilities			
Financial Liabilities			
Provisions	3	6,63,539	4,21,484
<b>Sub Total - Non-Current Liabilities</b>		<b>6,63,539</b>	<b>4,21,484</b>
<b>3 Current Liabilities</b>			
<b>Financial Liabilities :</b>			
Borrowings	4	-	62,64,612
Trade Payables	5	2,02,675	1,86,043
Other Current Liabilities	6	1,48,103	10,70,801
Provisions	7	12,85,537	8,50,579
<b>Sub Total - Current Liabilities</b>		<b>16,36,315</b>	<b>83,72,035</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,24,90,387</b>	<b>6,25,64,576</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

**For CMT & Associates**

Firm's Reg. No.: 011515S

Chartered Accountants

Sd/-

**CA Muneesh Babu S**

Partner

Membership No.: 242526

Sd/-

**S MAN MOHAN RAO**

Director

DIN : 00109433

Sd/-

**PM PADMAJA**

Company Secretary

PAN : AWCPP4761B

Sd/-

**K.V. SRINIVASA RAO**

Director

DIN : 02834578

Sd/-

**D MADHAV RAO**

Chief Financial Officer

PAN : AHGPD3053P

Place : Hyderabad

Date : 29 May 2019

## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	Notes	31-Mar-2019	31-Mar-2018
1. a. Sales from Operations	14	3,71,00,148	3,57,67,575
1. b. Other Operating Income		-	-
<b>1. Total Income from Operations (net) (1.a. + 1.b)</b>		<b>3,71,00,148</b>	<b>3,57,67,575</b>
<b>2. Expenses</b>			
a) Employee benefits expense	16	3,27,20,715	3,12,27,236
b) Depreciation and amortisation expense	8	3,14,559	3,77,210
c) Other expenses	17	42,75,832	37,10,153
<b>Total Expenses [sum of (a) to (c)]</b>		<b>3,73,11,106</b>	<b>3,53,14,599</b>
<b>3. Profit from operations before other income, finance costs and exceptional items (1-2)</b>		<b>(2,10,958)</b>	<b>4,52,976</b>
4. Other Income	15	8,37,260	12,34,573
<b>5. Profit from ordinary activities before finance costs and exceptional items (3+4)</b>		<b>6,26,302</b>	<b>16,87,549</b>
6. Finance costs		6,41,361	11,91,719
<b>7. Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>		<b>(15,059)</b>	<b>4,95,830</b>
8. Exceptional Items - net credit (charge)		-	-
<b>9. Profit from Ordinary Activities Before Tax (7+8)</b>		<b>(15,059)</b>	<b>4,95,830</b>
<b>10. Tax Expense</b>			
Current Tax		1,08,743	1,30,589
Deferred Tax		(56,050)	1,45,096
Total Tax Expenses		52,693	2,75,675
<b>11. Net Profit from Ordinary Activities After Tax (9-10)</b>		<b>(67,751)</b>	<b>2,20,146</b>
12. Extraordinary items		-	-
<b>13. Net Profit for the period (11+12)</b>		<b>(67,751)</b>	<b>2,20,146</b>
14. Other Comprehensive Income (Net of tax) - net credit / (charge)		(1,35,12,773)	-
<b>15. Total Comprehensive Income (13+14)</b>		<b>(1,35,80,524)</b>	<b>2,20,146</b>
<b>16. Earning Per Share (EPS) before extraordinary items (of Re.10/- each) (not annualised) :</b>			
a. Basic - Rs.		(3.40)	0.055
b) Diluted - Rs.		(3.40)	0.055

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

**For CMT & Associates**

Firm's Reg. No.: 011515S

Chartered Accountants

Sd/-

**CA Muneesh Babu S**

Partner

Membership No.: 242526

Sd/-

**S MAN MOHAN RAO**

Managing Director

DIN : 00109433

Sd/-

**K.V. SRINIVASA RAO**

Director

DIN : 02834578

**PM PADMAJA**

Company Secretary

PAN : AWCPP4761B

**D MADHAV RAO**

Chief Financial Officer

PAN : AHGPD3053P

Place : Hyderabad

Date : 29 May 2019

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31-03-2019

## A. Equity Share Capital (Equity Shares of Rs.10/- per Share)

Particulars	Number of Shares	Amount
Balance as on 1st April, 2018	33,96,000	3,39,60,000
Issued during the year	-	-
<b>Balance as on 31st March, 2019</b>	<b>33,96,000</b>	<b>3,39,60,000</b>
Balance as on 1st April, 2017	33,96,000	3,39,60,000
Issued during the year	-	-
<b>Balance as on 31st March, 2018</b>	<b>33,96,000</b>	<b>3,39,60,000</b>

## B. Other Equity (Attributable to owners of the company)

Particulars	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
<b>Opening Balance as on 01.04.2018</b>	<b>66,34,006</b>	<b>71,77,051</b>	<b>1,38,11,057</b>
Add : Transfer to General Reserve	-	-	-
Add : Profit during the year	-	(67,751)	(67,751)
Add : Other Comprehensive Income	-	(1,35,12,773)	(1,35,12,773)
<b>Closing Balance as on 31.03.2019</b>	<b>66,34,006</b>	<b>(64,03,473)</b>	<b>2,30,533</b>
Opening Balance as on 31.03.2019	66,34,006	69,56,906	1,35,90,912
Add : Transfer to General Reserve	-	-	-
Add : Profit during the year	-	2,20,145	2,20,145
Add : Other Comprehensive Income	-	-	-
<b>Closing Balance as on 31.03.2018</b>	<b>66,34,006</b>	<b>71,77,051</b>	<b>1,38,11,057</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

**For CMT & Associates**

Firm's Reg. No.: 011515S

Chartered Accountants

Sd/-

**CA Muneesh Babu S**

Partner

Membership No.: 242526

Sd/-

**S MAN MOHAN RAO**

Managing Director

DIN : 00109433

**PM PADMAJA**

Company Secretary

PAN : AWCPP4761B

Sd/-

**K.V. SRINIVASA RAO**

Director

DIN : 02834578

**D MADHAV RAO**

Chief Financial Officer

PAN : AHGPD3053P

Place : Hyderabad  
Date : 29 May 2019



**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31 MARCH 2019**

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
<b>1. Cash from Operating Activities</b>		
<b>Net Profit before Tax</b>	<b>(15,059)</b>	<b>4,95,830</b>
<b>Add : Adjustments for</b>		
Depreciation	3,14,559	3,77,210
Finance Cost	6,41,361	11,91,719
Other Comprehensive Income (Net of Tax)	(1,35,12,773)	-
<b>Operating Profit before working capital changes</b>	<b>(1,25,71,912)</b>	<b>20,64,759</b>
<b>Increase / Decrease in Working Capital</b>		
(Increase) / Decrease in Sundry Debtors	9,70,065	8,63,975
(Increase) / Decrease in Loans & Advances	1,22,72,387	36,73,307
(Increase) / Decrease in Other Assets	61,13,707	(1,36,397)
Increase / (Decrease) in Other Current Liabilities	(2,29,053)	(9,48,521)
<b>Cash Generated / Used in Operations</b>	<b>1,91,27,106</b>	<b>34,52,364</b>
Income Tax Paid (Net of Refunds)	<b>22,308</b>	<b>(1,00,685)</b>
<b>Less : Taxes Paid (Income Tax)</b>	<b>22,308</b>	<b>(1,00,685)</b>
<b>Net Cash Flow from Operating Activities - I</b>	<b>65,77,502</b>	<b>54,16,438</b>
<b>II. Cash From Investing Activities :</b>		
Proceeds from Sale of Fixed Assets		
<b>Net Cash Flow from Investing Activities - II</b>	-	-
<b>III. Cash from Financing Activities</b>		
Increase in Short Term Borrowings	(62,64,612)	(38,28,539)
Financial Charges	(6,41,361)	(11,91,719)
<b>Net Cash Flow from Financing Activities - III</b>	<b>(69,05,973)</b>	<b>(50,20,258)</b>
<b>Net Increase in Cash &amp; Cash Equivalent (I+II+III)</b>	<b>(3,28,471)</b>	<b>3,96,180</b>
<b>Reconciliation :</b>		
Cash & Cash Equivalents at the beginning of the year	25,02,257	21,06,077
Cash & Cash Equivalent at the end of the year	<b>21,73,786</b>	<b>25,02,257</b>
<b>Increase in Cash &amp; Cash equivalents at the end of the year</b>	<b>(3,28,471)</b>	<b>3,96,180</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

**For CMT & Associates**

Firm's Reg. No.: 011515S

Chartered Accountants

Sd/-

**CA Muneesh Babu S**

Partner

Membership No.: 242526

Sd/-

**S MAN MOHAN RAO**

Managing Director

DIN : 00109433

Sd/-

**K.V. SRINIVASA RAO**

Director

DIN : 02834578

**PM PADMAJA**

Company Secretary

PAN : AWCPP4761B

**D MADHAV RAO**

Chief Financial Officer

PAN : AHGPD3053P

Place : Hyderabad  
Date : 29 May 2019

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAR 2019

	31-Mar-2019	31-Mar-2018
<b>NOTE : 1 - SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
Authorised (50,00,000 equity shares of Rs.10 each)	5,00,00,000	5,00,00,000
	<b>5,00,00,000</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed &amp; Paid-up</b>		
Issued, Subscribed and Paid-up Capital (39,96,000 equity shares of Rs.10/- each)	3,99,60,000	3,99,60,000
	<b>3,99,60,000</b>	<b>3,99,60,000</b>

**a. Terms/rights attached to equity shares**

- 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**

Particulars	31-Mar-2019		31-Mar-2018	
	No. of Shares held	% of Shares held	No. of Shares held	% of Shares held
1. S. MANMOHAN RAO	17,07,223	42.72	17,07,223	42.72
2. SURENDER REDDY G	3,00,000	7.51	3,00,000	7.51
3. DESTIMONEY SECURITIES PRIVATE LIMITED	-	-	2,95,539	7.40
4. LAXMI TWISTERS LIMITED	2,68,600	6.72	2,68,600	6.72
5. SYSTATIX FINCORP INDIA PRIVATE LIMITED	2,00,000	5.01	2,00,000	5.01
6. SHAH KIRIT M	2,95,539	7.40	-	-
7. RAJ KUMAR	3,73,900	9.36	1,73,900	4.35

**Note : 2 Reserves and Surplus**

Particulars	31-Mar-2019	31-Mar-2018
<b>General Reserve</b>	<b>66,34,006</b>	<b>66,34,006</b>
<b>Profit &amp; Loss Account :</b>		
Opening Balance	71,77,051	69,56,906
Add : Profit for the year	(67,751)	2,20,145
Add : Comprehensive Income (Net of Tax)	(1,35,12,773)	-
<b>Total</b>	<b>2,30,533</b>	<b>1,38,11,057</b>
<b>NOTE : 3 - PROVISIONS</b>		
Gratuity Payable	6,63,539	4,21,484
<b>TOTAL</b>	<b>6,63,539</b>	<b>4,21,484</b>

	31-Mar-2019	31-Mar-2018
<b>NOTE : 4 - SHORT-TERM BORROWINGS</b>		
<b>a) Loans repayable on Demand</b>		
(i) From Banks - Overdraft from SBI (Carrying an interest rate of 14.25%)	-	62,64,612
	-	<b>62,64,612</b>
Mortgage Loan (Overdraft) is sanctioned by State Bank of India, Overseas Branch, Somajiguda is secured by :		
<b>Primary :</b>		
First Charge on the current assets and receivables of the company		
<b>Collateral:</b>		
i) EM of Plot No:5(Western portion), H.No:11-9-129/A, admeasuring 232 sq yards in SY No:9/1E, Laxminagar, Saroornagar V &M, R R Dist standing in the name of Sri Bussireddy Sudhir Reddy S/o B Ranga Reddy.		
ii) EM of Plot No:31, H No:12-184 admeasuring 200 sq yards in SY No.428, Srinagar Colony, Patancheru V&M, Medak District in the name of Smt.V Sunitha W/o Sri V. Raghuveera Reddy.		
iii) EM of Plot No:32, H.No:12-183 admeasuring 200sq yards in SY No:428, Srinagar Colony, Patancheru V & M, Medak District standing in the name of Smt.V Sunitha W/o Sri V. Raghuveera Reddy.		
iv) EM of Plot No:42 admeasuring 360sq yards in SY no:92, Thattiannaram village, Hayatnagar Mandal, R R Dist standing in the name of Sr. B.Sudheer Reddy S/o Sri. B.Ranga Reddy.		
<b>Personal Guarantee of the following persons:-</b>		
The following persons have given personal guarantee for the Mortgage loan (Overdraft) sanctioned by State Bank of India,Overseas branch, Somajiguda.		
i) Sri. B Sudheer Reddy S/o Sri. B. Ranga Reddy		
ii) Smt.V.Sunitha W/o Sri V. Raghuveera Reddy		
iii) Sri G.Surender Reddy S/o Late Sri G.Laxma Reddy		
	31-Mar-2019	31-Mar-2018
<b>NOTE : 5 - TRADE PAYABLES</b>		
Creditors for Expenses & Services	2,02,675	1,86,043
<b>TOTAL</b>	<b>2,02,675</b>	<b>1,86,043</b>
<b>NOTE : 6 - OTHER SHORT-TERM LIABILITIES</b>		
Other Liabilities	1,48,103	10,70,801
<b>TOTAL</b>	<b>1,48,103</b>	<b>10,70,801</b>
<b>NOTE : 7 - SHORT-TERM PROVISIONS</b>		
Provision for Taxation	2,39,332	1,30,589
Other Provisions :		
- Employee Benefits	7,23,246	4,09,054
- For Other Statutory Taxes	3,22,959	3,10,936
<b>TOTAL</b>	<b>12,85,537</b>	<b>8,50,579</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAR 2019

	31-Mar-2019	31-Mar-2018
<b>NOTE: 9 LONG-TERM LOANS AND ADVANCES</b> (Unsecured, considered good)		
Advances Recoverable in Cash or Kind	8,17,634	1,30,92,605
Balances with Statutory / Government Authorities	94,694	94,694
Advance Income Tax	2,50,000	2,47,416
<b>TOTAL</b>	<b>11,62,328</b>	<b>1,34,34,715</b>
<b>NOTE: 10 DEFERRED TAX ASSETS (NET)</b>		
Opening Balance :	71,544	2,16,640
Deferred Tax Assets for the Year		
On Depreciation	14,246	19,934
On Gratuity	41,805	(1,65,029)
<b>TOTAL</b>	<b>1,27,595</b>	<b>71,544</b>
<b>NOTE: 11 TRADE RECEIVABLES</b>		
Sundry Debtors :		
Outstanding for a Period exceeding Six Months	-	-
Other Debtors (Unsecured, considered good)	3,55,504	13,25,569
<b>TOTAL</b>	<b>3,55,504</b>	<b>13,25,569</b>
<b>NOTE: 12 CASH AND CASH EQUIVALENTS</b>		
Cash in Hand	3,19,308	1,16,458
Cash at Bank	18,54,478	23,36,951
Balances in Deposits	-	48,848
<b>TOTAL</b>	<b>21,73,786</b>	<b>25,02,257</b>
<b>NOTE: 13 SHORT-TERM LOANS &amp; ADVANCES</b>		
Short Term Loans and Advances (Unsecured, considered good)	76,22,062	1,38,66,819
<b>TOTAL</b>	<b>76,22,062</b>	<b>1,38,66,819</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAR 2019**

	<b>31-Mar-2019</b>	<b>31-Mar-2018</b>
<b>NOTE: 14 REVENUE FROM OPERATIONS</b>		
Sale of Services - Software Development (Exports)	3,71,00,148	3,57,67,575
<b>TOTAL</b>	<b>3,71,00,148</b>	<b>3,57,67,575</b>
<b>NOTE: 15 OTHER INCOME</b>		
Interest Income from FD	-	
Profit on Foreign Currency Translations.	8,37,260	12,34,573
<b>TOTAL</b>	<b>8,37,260</b>	<b>12,34,573</b>
<b>NOTE: 16 SALARIES AND BENEFITS TO EMPLOYEES</b>		
Salaries and Benefits	3,02,76,616	2,93,87,879
Directors Remuneration	6,00,000	6,00,000
Contribution made towards :		
Provident Fund	10,32,686	10,81,238
Staff Welfare Expenses	6,30,465	7,99,010
<b>TOTAL</b>	<b>3,27,20,715</b>	<b>3,12,27,236</b>
<b>NOTE: 17 OTHER EXPENSES</b>		
Rent, Rates & Taxes	10,29,745	7,16,639
Electricity Charges	1,20,694	1,17,389
Travelling & Conveyance	2,32,258	2,38,762
Repairs to Machinery	5,51,922	2,93,401
Professional & Consultancy Charges	12,38,844	11,47,500
Office Maintenance & Security	1,75,214	4,30,145
Listing Fee & Demat Charges	3,98,952	3,92,102
General Expenses	4,57,403	3,03,415
Audit Fee	70,800	70,800
<b>TOTAL</b>	<b>42,75,832</b>	<b>37,10,153</b>

## Notes to Financial Statements for the Year Ended March 31, 2019

## Note 8. Fixed Assets

Sl.No.	Fixed Assets	Gross Block				Depreciation				Net Block	
		as on 01-04-18	Additions during the period	deletions during the period	as on 31-03-19	as on 01-04-18	for the period	Adjust- ments	as on 31-03-19	as on 31-03-19	as on 31-03-18
<b>A.</b>	<b>Tangible Assets</b>										
1	Land*	16,42,500			16,42,500					16,42,500	16,42,500
2	Computers	50,28,562			50,28,562	47,77,135	-		47,77,135	2,51,427	2,78,121
3	Office Equipment	34,52,835			34,52,835	32,48,422	30,963		32,79,385	1,73,450	2,04,413
4	Furniture and Fixtures	45,91,559			45,91,559	40,90,876	1,40,522		42,31,398	3,60,161	5,00,683
5	Vehicles	18,56,572			18,56,572	14,41,924	1,43,074		15,84,998	2,71,574	4,14,648
	<b>Total</b>	<b>1,65,72,028</b>			<b>1,65,72,028</b>	<b>1,35,58,357</b>	<b>3,14,559</b>		<b>1,38,72,916</b>	<b>26,99,112</b>	<b>30,13,671</b>
<b>B.</b>	<b>Intangible Assets</b>										
1	Goodwill	2,00,00,000			2,00,00,000					2,00,00,000	2,00,00,000
	<b>Total</b>	<b>2,00,00,000</b>			<b>2,00,00,000</b>					<b>2,00,00,000</b>	<b>2,00,00,000</b>
	Capital Work in Progress	83,50,000			83,50,000					83,50,000	83,50,000
	<b>Total</b>	<b>83,50,000</b>			<b>83,50,000</b>					<b>83,50,000</b>	<b>83,50,000</b>
	<b>Grand Total 31-03-2019</b>	<b>4,49,22,028</b>			<b>4,49,22,028</b>	<b>1,35,58,357</b>	<b>3,14,559</b>	<b>-</b>	<b>1,38,72,916</b>	<b>3,10,49,112</b>	<b>3,13,63,671</b>
	<b>Grand Total 31-03-2018</b>	<b>4,49,22,028</b>			<b>4,49,22,028</b>	<b>1,31,81,147</b>	<b>3,77,210</b>	<b>-</b>	<b>1,35,58,357</b>	<b>3,13,63,671</b>	<b>3,17,40,881</b>

\* Realised value of the Land as on 31st March 2019 is Rs.75,00,000/-

**Note 1 : SIGNIFICANT ACCOUNTING POLICIES****Corporate Information:**

CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 16/03/1985 and registered with register of Companies, Hyderabad with CIN No. L52510TG1985PC043347. The company engages in the business of Information Technology enabled services other related activities.

**1. 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 considering 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 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.

**(g) Fixed Assets and Depreciation****(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.

**(ii) Intangible Assets:**

Intangible Assets are stated at cost of acquisition less accumulated amortization. Amortization is done uniformly over a period of 5 years.

**(iii) Depreciation & Amortization**

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013.

**(h) 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.

- (i) 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.

**(j) Employee Benefits:**

The company's employee benefits primarily cover Provident Fund, Gratuity and Leave encashment.

- (i) Provident Fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to the Profit and Loss Account in the year in which they accrue.

**(ii) Gratuity:**

The Company has a defined retirement benefit "gratuity plan", covering all the eligible employees.

Gratuity Liability is based on actuarial valuation, determined by an independent actuary, at each Balance Sheet date.

The Liability in respect of Gratuity for employees is funded through a scheme administered by PNB MetLife India Insurance Company Limited.

**(iii) Earned Leaves:**

Liability in respect of Leave encashment has been provided as per policy of the company at the yearend on account of un availed earned leave.

**(k) Foreign currency transactions:**

Foreign-currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.



Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

**(I) Cash Flow Statement:**

Cash flows are reported using indirect method. Cash and Cash equivalents in the cash flow statement comprise cash at bank, Cash/ cheques on hand and Fixed deposits with banks.

**2. Contingent Liabilities:**

On Account of Bank Guarantee given by Bankers Rs. NIL

	<b>2018 - 2019</b>	<b>2017 - 2018</b>
	<b>(Rs. in Lakhs)</b>	<b>(Rs. in Lakhs)</b>
<b>3. Directors' Remuneration:</b>		
Salary and allowances	INR 6.00	INR 6.00

**4. Additional information as required by Part - II of Schedule - VI of the Companies Act, 2013.**

A. Expenditure in Foreign Currency:	NIL	NIL
B. Earnings in Foreign Exchange:	380.80	366.74
C. CIF Value of Imports:	NIL	NIL

**5. Segment Reporting:**

The Company has only Software Development activity hence segment report has not been given.

**6. 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.	Owned by relative of Director
2	S. Man Mohan Rao	Director
3	G. Lakshmi	Director

(ii) Transactions during the year with related parties:

S.No.	Nature of Transaction	Name of the Related Party	Amount (INR in Lacs)	Relation
1	Sales	Capricorn Systems Inc.	371.00	Owned by relative of Director
2	Remuneration	S. Man Mohan Rao	6.00	Director
3	Board Sitting Fee	G. Lakshmi	0.72	Director

7. 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.
8. Paisas have been rounded off to the nearest rupee.

As per our report of even date

**For CMT & ASSOCIATES**  
Firm's Reg. No.: 011515S  
Chartered Accountants

For and on behalf of the Board

Sd/-  
**CA MUNEESH BABU S**  
Partner  
Membership No.: 242526

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

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

Place : Hyderabad  
Date : 29 May 2019

**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 : Plot No. 400, # 8-2-293/82A/400, Road No:22A, Jubilee Hills, Hyderabad - 500033

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

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

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

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

as my/ our proxy to attend and vote ( on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the company, to be held on Monday, the 30th September, 2019 at 11.30 A.M, at the Registered Office of the Company at Plot No. 400, # 8-2-293/82A/400, Road No:22A, Jubilee Hills, Hyderabad - 500033 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl.No.	Resolution(s)	VOTE	
		For	Against
1.	To receive, consider and adopt the Audited Financial Statements for the period ended 31st March, 2019 together with the reports of Directors and Auditors thereon		
2	To Appoint Mr. Valluri Chandra Rao (DIN : 02834578) as Independent Director of company.		

\* Applicable for investors holding shares in Electronic form.Affix Revenue Stamps

Signed this \_\_\_\_ day of \_\_\_\_ 20\_\_

Affix  
Revenue  
Stamp

Signature of Shareholder  
across Revenue Stamp

Signature of Proxy holder

Signature of the shareholder

- Note:**
- 1) 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.
  - 2) The proxy need not be a member of the company

**CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED**

Regd. Office : Plot No. 400, # 8-2-293/82A/400, Road No:22A,

Jubilee Hills, Hyderabad - 500033

Phone: 9032008866, Fax: 040-23547889

CIN: L52510TG1985PLC043347

Email id: complianceofficer@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**

Annual General Meeting on Monday, the 30th September, 2019, at 11.30 A.M.

Full name of the members attending \_\_\_\_\_  
(In block capitals)

Ledger Folio No./Client ID No. \_\_\_\_\_ No. of shares held: \_\_\_\_\_

Name of Proxy \_\_\_\_\_

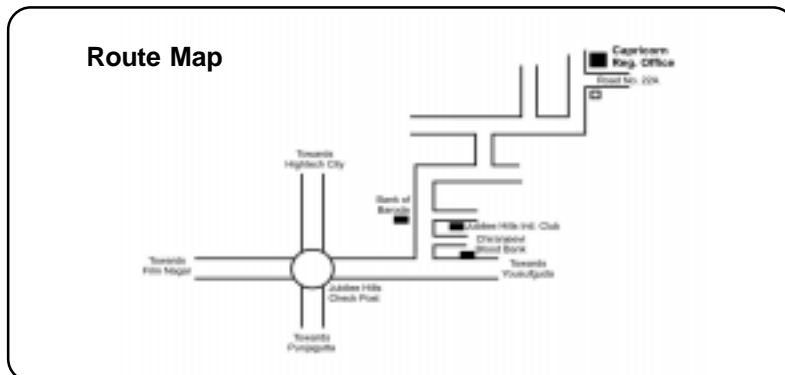
(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the Annual General Meeting of the CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED held on Monday, the 30th September, 2019 at 11.30 A.M, at the Registered Office of the Company at Plot No. 400, # 8-2-293/82A/400, Road No:22A, Jubilee Hills, Hyderabad – 500033

(Member's /Proxy's Signature)

**Note:**

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.



**PRINTED MATTER  
REGISTERED POST / COURIER**

If Undelivered Please Return to :  
**Capricorn Systems Global Solutions Ltd.,**  
REGISTERED OFFICE  
Plot No. 400, H.No. 8-2-293/82A/400,  
Road No: 22A, Jubilee Hills,Hyderabad – 500 033.

**Anjana Graphics**  
98494 79396