



# CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED

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**Dated:** 06/09/2022

To  
**Bombay Stock Exchange Limited**  
25th Floor, P J Towers  
Dalal Street,  
Mumbai – 400 001

Dear Sir/Madam,

**Sub:Submission of Annual Report for financial year 2021-2022 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 2021-2022 of the company for your information and records.

Thanking you,

for **Capricorn Systems Global Solutions Limited**

**MANMOHAN**  
**N RAO**  
**SUDDHALA**

Digitally signed by MANMOHAN RAO  
SUDDHALA  
DN: c=IN, o=Personal,  
pseudonym=72381ccdc5eab4d0572bb8  
84806bd771212f40c96b7383507590f66cd  
6b8d3c, postalCode=500003,  
st=TELANGANA,  
serialNumber=948641d8660e16a65abfa94  
534e1855d2da6971dedf6e44992bf6ecf26  
0bdbd9, cn=MANMOHAN RAO SUDDHALA  
Date: 2022.09.06 16:32:46 +05'30'

**Manmohan Rao Suddhala**  
**Managing Director**  
**DIN: 00109433**

**37th**  
**ANNUAL REPORT**  
**2021-2022**

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

**BOARD OF DIRECTORS**

- |                           |  |
|---------------------------|--|
| 1. Mr. S. Man Mohan Rao   | Managing Director                      |
| 2. Mr. K.V. Srinivasa Rao | Director                               |
| 3. Mrs. Lakshmi Gurrām    | Director                               |
| 4. Mr Valluri Chandra Rao | Director (Resigned w.e.f. 14.02.2022)  |
| 5. Mrs. Vuddaraju Triveni | Director (Appointed w.e.f. 03.09.2021) |

**KEY MANAGERIAL PERSONNEL**

- |                             |                         |
|-----------------------------|-------------------------|
| 1. Mr Madhav Rao Dundigalla | Chief Financial Officer |
| 2. Mrs. P M Padmaja         | Company Secretary       |

**Registered Office :**

# 8-2-686/B/6, Flat No. 401, 4th Floor, 12th Square Building,  
Road No 12, Banjara Hills, Hyderabad, Telangana- 500034  
Tel: 040-23399499  
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,  
Punjugutta, Hyderabad - 500082  
Ph : 040-40151553

**Secretarial Auditors:**

**M/S AAKASH AGARWAL**

# Level 4, Gumideli Towers,  
Begumpet, Hyderabad.  
Phone: +91-9030544604  
Email : office@agarlaws.com  
www.agarlaws.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**

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **37th Annual General Meeting (AGM)** of the members of Capricorn Systems Global Solutions Limited will be held on Friday, 30th September 2022 at 10.00 AM IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") 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, 2022, including the audited balance sheet as at March 31, 2022, 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.
2. To appoint M/s. SNMR & Associates , Chartered Accountants (Registration No. . 014168S) as statutory auditors to hold office from the conclusion of the Thirty-Seventh Annual General Meeting until the conclusion of the Forty Second Annual General Meeting and in this regard to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies(Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enhancement(s) thereof, for the time being in force, M/s. SNMR & Associates, Chartered Accountants (Registration No. . 014168S), be and are hereby appointed as the statutory auditors of the Company, for a term of 5 (five) consecutive years to hold office from the conclusion of the Thirty-Seventh Annual General Meeting to the conclusion of the Thirty-Seventh Annual General Meeting upon such remuneration as may be fixed by the board of directors in consultation with them.

"Resolved further that of SNMR & Associates, Chartered Accountants Mr. Satyanarayana. N, Partner (Firm Registration No. 014168S) be and are hereby appointed as Statutory Auditors of the company from this Annual General Meeting and that they shall hold the office of the Statutory Auditors of the company from the conclusion of this meeting until the conclusion of the Annual General Meeting for year 2026-2027 and subject to ratification, if required by shareholders and upon such remuneration as may be fixed by the board of directors in consultation with them."

"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: 03-09-2022

By order of the Board

**For Capricorn Systems Global Solutions Limited**

**S. Man Mohan Rao**

Managing Director

DIN : 00109433

### Registered Office:

# 8-2-686/B/6, Flat No. 401, 4th Floor, 12th Square Building,

Road No 12, Banjara Hills, Hyderabad, Telangana- 500034

Tel: 040-23399499

Email id: [complianceofficer@capricornsys-global.com](mailto:complianceofficer@capricornsys-global.com)

**NOTES :**

1. In view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2021 dated April 8, 2021, Circular No.17/2021 dated April 13, 2021 and Circular No. 20/2021 dated May 05, 2021, Circular No.2/2022 dated May 05, 2022. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2021, April 13, 2021 and May 05, 2021 the Company is providing facility of remote voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and not after 15 minutes of the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to MCA Circular No. 14/2021 dated April 08, 2021, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2021 dated April 13, 2021, the Notice calling the AGM has been uploaded on the website of the Company at <http://capricornsystems-global.com/> The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2021 dated April 8, 2021 and MCA Circular No. 17/2020 dated April 13, 2021 and MCA Circular No. 20/2021 dated May 05, 2021.
9. Route map is not annexed to this meeting, Since, the AGM will be held through VC/OAVM.

10. As per Regulation 40 of SEBI LODR Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April 2020, except in the case of request received for transmission or transposition of securities. In view of the this and to eliminate all risks associated with the physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings in dematerialized form.
11. To support the “Green initiative”, members who have not yet registered their email addresses are requested to register the same with their DP's in case the share are held by them in electronic form and with the Company/RTA if the share are held by them in physical form.
12. Members are requested to intimate changes, if any, pertaining to their Name, Postal Address, E-mail address, telephone/mobile numbers, PAN, Mandates, Nominations, PoA, Bank Details such as name of the bank, branch details, bank account number, MICR Code, IFSC Code etc to their DP's in case the shares are held by them in electronic form and to the company if the shares are held in physical form.
13. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [complianceofficer@capricornsys-global.com](mailto:complianceofficer@capricornsys-global.com)
14. The Board of Directors have appointed CA Vishnu Nakka, Practicing Chartered Accountants, M/s. V R V H & Associates, Chartered Accountants, Hyderabad as the scrutinizer to scrutinize the voting during the Remote E-Voting and Video Conferencing Voting in a fair and transparent manner.
15. The Company has engaged the services of CDSL as the Agency to provide e-voting facility

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 27.09.2022 at 9.00 A.M. (IST) and ends on 29.09.2022 at 5.00 P.M. (IST) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29.09.2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on “Shareholders” module.
- (v) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company. OR Alternatively, if you are registered for CDSL's EASI/ EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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 e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recored in your demat account or in the company records in order to login. - If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile

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

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL eVoting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance by 6.30 PM of 26.09.2022 mentioning their name, demat account number/folio number, email id, mobile number at [complianceofficer@capricornsys-global.com](mailto:complianceofficer@capricornsys-global.com) The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance within aforementioned time mentioning their name, demat account number/folio number, email id, mobile number at [complianceofficer@capricornsys-global.com](mailto:complianceofficer@capricornsys-global.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**Note for Non Individual Shareholders and Custodians**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

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 linked in the login 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.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [ca.satyu@gmail.com](mailto:ca.satyu@gmail.com) & [complianceoffier@capricornsys-global.com](mailto:complianceoffier@capricornsys-global.com) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542). All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

Place: Hyderabad  
Date: 03-09-2022

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

**BOARD'S REPORT**

To,  
The Members,  
CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED

Your Directors have pleasure in presenting the 37th (Thirty Seventh) Annual Report of your Company together with the Audited Accounts for the financial year ended 31st March, 2022 and the report of the Auditors thereon.

**FINANCIAL RESULTS**

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

(Figures in Rs.)

Particulars	31-03-2022	31-03-2021
Revenue from Operations	1,32,18,743	1,32,05,808
<b>Total Income</b>	<b>1,32,18,743</b>	<b>1,32,05,808</b>
Employee Benefit Expense	1,00,53,883	1,02,27,603
Depreciation and Amortization Expense	27,546	1,52,366
Other Expenses	25,54,527	72,68,496
<b>Total Expenditure</b>	<b>1,26,35,956</b>	<b>1,76,48,465</b>
<b>Profit from operations before other income</b>	<b>5,82,787</b>	<b>(44,42,657)</b>
Other Income	1,70,479	95,973
<b>Profit / (Loss) Before Tax</b>	<b>7,53,266</b>	<b>(43,46,684)</b>
Less : Tax Expense	2,71,268	22,686
<b>Profit / (Loss) for the year after Tax</b>	<b>4,81,998</b>	<b>(43,69,370)</b>
Add : Other Comprehensive Income	20,17,444	(2,31,390)
<b>Total Comprehensive Income</b>	<b>24,99,442</b>	<b>(46,00,760)</b>

**THE STATE OF THE COMPANY AFFAIRS**

The operations of the company affairs are impacted by non renewal of the contracts by some of the long standing customers whom the company has been servicing over many years. The same has resulted in the turnover of the company increased by 1.1% compared to the previous financial year.

The company is planning to expand its market reach by exploring new works. Company with the committed and long standing work force with the lowest employee turnover is working on development of delivering new technologies

**REVIEW OF OPERATIONS:**

Turnover for the year ended 31st March, 2022 was Rs. 1,32,18,743/- as against Rs. 1,32,05,808/- in the previous year. The Company registered a Profit of Rs. 24,99,442 as against loss of Rs 46,00,760/- in the previous year.

**MATERIAL CHANGES :**

The Economic environment in general and more specifically the markets where the company operates are impacted severally by COVID19 pandemic which has resulted in large scale disruptions of the business across the globe and your company has also been effected in general. The operations of the company for were effect the financial year 2021-22. However the company expects that there would not be material impact of the Pandemic on the company as operations are stabilized now. There Changes and Commitments which occurred between the end of the financial year to which the financial statements relate and the date of this Report materially does not effect the financial position of the Company.

**INDUSTRY STRUCTURE AND DEVELOPMENT:**

The company is engaged in the business of software development, providing software development and consultancy services in the fields of software and allied services. The industry is not 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 track record for its growth.

#### **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 2021-2022

#### **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 no transfer to Reserves during the financial year under report as the company has incurred loss during the year the same is adjusted against the opening balance of reserves.

#### **SHARE CAPITAL**

The Authorized Share Capital of the Company remains unchanged during the financial year 2021-22

#### **CHANGE IN NATURE 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 25.06.2021, 13.08.2021, 03.09.2021, 14.11.2021, 14.02.2022. 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 year Mr Valluri Chandra Rao has resigned from the board as independent Director w.e.f 14.02.2022 and Mrs Vuddaraju Triveni was appointed as additional director w.e.f 03.09.2022 and was appointed as Independent Director on 30.09.2021

#### **Impact of Covid-19 to form part of the board's report which shall include the following :**

World has witnessed covid-19 pandemic which has affected the whole economic system drastically, however during this period, your company has not been impacted on adversely as employees were permitted to work from home.

#### **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 2021-22, 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 2021-2022.

**TRANSACTIONS WITH RELATED PARTIES:**

There are no related party transactions during the year except that are 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 31st March 2022 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.

**AUDITORS AND THEIR REPORT :**

M/s. CMT & Associates, Chartered Accountants, Hyderabad was appointed as Auditors of the Company for a term of 5 (Five) consecutive years at 32nd Annual General Meeting held on 30th September, 2017. They have confirmed that they are not disqualified from continuing as auditors of the company. The Auditors Report does not contain any qualifications, reservations, adverse remark or disclaimer. Pursuant to the expiry of their term of 5 years ,new auditors are being appointed at the ensuing AGM.

**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 2021-2022. 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 2021-2022, 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 2021-22.
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.

**ACKNOWLEDGEMENTS:**

Your Directors place on record their appreciation for the assistance and co-operation extended by the Bankers and various State and Central Government Agencies. Your Directors also thank all the Customers for their continuous support, Employees for their continued dedicated services, Members for their valuable support and confidence in the Company.

**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 : 03-09-2022

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 2021-22.

**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 in which Relative of Director (S. Manmohan Rao) is interested. |
| 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 | : Providing Services as per the requirements of the Client.  |
| e) Date of approval by the Board  | : 13th August, 2021  |
| f) Amount paid as advances, if any  | : NIL  |

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

Place: HYDERABAD

Date : 03-09-2022

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 turnaround 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	2021 - 2022 (Rs. in Lakhs.)	2020 - 2021 (Rs. in Lakhs)
1.	<b>Total Foreign Exchange earnings</b>	140.099	116.42
2.	Foreign Exchange outgo	Nil	Nil

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

Place: HYDERABAD

Date : 03-09-2022

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 31st March 2022

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 2021 – 22	Mr Manmohan Rao Suddala 0.92 Mrs. Lakshmi Gurram 0.07 Mr. Valluri Chandra Rao 0.04 Mrs. Vuddaraju Triveni 0.04
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 2021 – 22	Mr Manmohan Rao Suddala (MD) : 9.09% Mr. D. Madhav Rao (CFO) : 14% Mrs. P.M.Padmaja (CS) : 8%
3	The percentage increase in the median remuneration of employees in the financial year 2021 – 22	21%
4	The number of permanent employees on the rolls of the Company as on 31st March, 2022	5
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	23.77%
6	Affirmation that the remuneration is as per the remuneration policy of the company	Remuneration paid during the year ended 31st March, 2022 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 31st March 2022

(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 : 03-09-2022

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 8-2-686/B/6/401, 4th Floor,  
 12th Square Building, Road No 12, Banjara Hills,  
 Hyderabad-500034  
 Telangana

We have examined the relevant registers, records, forms and disclosures received from the directors of Capricorn Systems Global Solutions Limited [CIN: L52510TG1985PLC043347] having registered office at Plot No 8-2-686/B/6/401, 4th Floor, 12th Square Building, Road No 12, Banjara Hills, Hyderabad-500034 Telangana (hereinafter referred as 'Company') produced before 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 Securities exchange board of India (Listing Obligations and Disclosure requirements) regulations, 2015 as amended.

In our opinion and to the best of our information and according to the verifications including DIN (Director Identification Number) Status at www.mca.gov.in as considered necessary and explanations furnished to us by the company and its officers, We hereby certify that none of the Directors on the Board of the Company for financial year 2021-2022 have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

S.No.	Name of the Director	DIN	Date of Appintment
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. Valluri Chandra Rao (Resigned w.e.f. 14.02.2022)	08329674	14/02/2019
5	Mrs Vuddaraju Triveni	08267772	03/09/2021

Ensuring the eligibility 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 the efficiency of effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad  
 Date: 03-09-2022

**For Aakash Agarwal S & Co.**  
**Aakash Agarwal**  
 Practicing Company Secretary  
 M. No.: 42866  
 C.P. No.: 19466  
 UDIN : A042866D000903572

**“ANNEXURE IV”**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on Financial year ended on 31-03-2022**

**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	# 8-2-686/B/6, Flat No. 401, 4th Floor, 12th Square Building, Road No 12, Banjara Hills, Hyderabad, Telangana- 500034 Telephone - Tel: 040-23399499 Fax : 040-23547889 Email : complianceofficer@capricornsys-global.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-2021)				No. of Shares held at the beginning of the year (As on 31-March-2022)				% 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	113502	NIL	113502	2.84	113502	NIL	113502	2.84	NIL
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	292253	32500	324753	8.13	394410	32500	426910	10.68	2.55
ii. Individual shareholders holding nominal share capital excess Rs.2lakh	1143135	30000	1173135	29.36	1028939	30000	1058939	26.50	-2.85
c. Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non Resident Indians	600	NIL	600	0.02	12664	NIL	12664	0.32	0.30
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	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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>1549490</b>	<b>62500</b>	<b>1611990</b>	<b>40.35</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 01-04-2021			Shareholding at the end of the year 31-03-2022			% 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	Shah Kirit M	295593	7.40	295593	7.40
2	Raj Kumar	373900	9.36	300000	7.50
3	Suresh K Jajodia	100000	2.50	100000	2.50
4	Dhanraj Ashok Jalan	60000	1.50	60000	1.50
5	Chandra Shekhar Bhatt	51600	1.29	51600	1.29
6	Geremella Shesha Chalapathi Rao	51000	1.28	51000	1.28
7	Nupur Lath	50000	1.25	50000	1.25
8	Pinky Jajodia	44800	1.12	44800	1.12

**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>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total ( i+ ii + iii )</b>				
<b>Change in Indebtedness during the Financial Year</b>				
* Addition				
* Reduction				
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total ( i + ii + iii )</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.75,000 per month	Rs.9,00,000 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.75,000 per month</b>	<b>Rs.9,00,000 p.a.</b>
	Ceiling as per the Act	Rs.2,42,00,000 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
1.			
a.	Others, please specify		
	<b>Total (B)</b>		

**C. Remuneration to other Directors**

S.No.	Particulars of Remuneration	G.Laxmi	V.Chandra Rao	V. Triveni	Total Amount
<b>1</b>	<b>Independent Directors</b>				
	Fee for attending board committee meetings				
	Others, please specify - Sitting Fee		36,000	42,000	78,000
	<b>Total (1)</b>		<b>36,000</b>	<b>42,000</b>	<b>78,000</b>
<b>2</b>	<b>Women Director</b>				
	Others, please specify - Sitting Fee	72,000			72,000
	<b>Total (2)</b>	<b>72,000</b>			<b>72,000</b>
<b>3</b>	<b>Other Non-Executive Directors</b>				
	Others, please specify	--			--
	Total (3)	--			--
	<b>Total (C) = (1+2+3)</b>	<b>72,000</b>	<b>36,000</b>	<b>42,000</b>	<b>1,50,000</b>
	<b>Total Managerial Remuneration (A+B+C)</b>				<b>10,50,000</b>
	Overall Ceiling as per the Act	"With in limits" in ceiling limits section			

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

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		3,33,000	13,09,800	16,42,800
	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>3,33,000</b>	<b>13,09,800</b>	<b>16,42,800</b>

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

There were no Penalties / Punishment / Compounding of offences for the year ending 31st March, 2022

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31st March 2022  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

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

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, 2022, 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, 2022 according to the provisions of:

- (1) 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, if any;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- (4) 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;
- (5) 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

Further as per the explanation given by the Company there are no specific acts applicable to be Company to be reported in my Report.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. \*As per Regulation 15 (2) to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not apply in respect of a listed entity whose paid up equity share capital does not exceed Rs.10 crores and net worth does not exceed Rs.25 crores as on March 31, 2022 to the extent that they are addition to the requirements specified under the Companies Act, 2013.

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

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

I further report that:

- The Board of Directors/ committees of company comprises of only 1 Executive (Managing Director) and 3 Non-Executive Directors (Independent 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 2021-2022.

I further report that:

- No director is being considered to retire by rotation;
- 39,33,500 shares are in dematerialize form;

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.

**For Aakash Agarwal S & Co.**

**Aakash Agarwal**

Practising Company Secretary

M. No. 42866

C.P. No. 19466

UDIN : A042866D000903541

Place: Hyderabad

Date : 03-09-2022

\*This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

**“ANNEXURE A”**

To,  
The Members  
**CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED**  
(L52510TG1985PLC043347)  
# 8-2-686/B/6, Flat No. 401, 4th Floor,  
12th Square Building, Road No 12, Banjara Hills,  
Hyderabad, Telangana- 500034

My 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.

**For Aakash Agarwal S & Co.**  
**Aakash Agarwal**  
Practising Company Secretary  
M. No. 42866  
C.P. No. 19466  
UDIN : A042866D000903541

Place: Hyderabad  
Date : 03-09-2022

## MANAGEMENT DISCUSSION AND ANALYSIS:

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

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. 132.187 Lakhs. The Gross Profit (earnings before interest, depreciation and taxes) was INR. 7.808 Lakhs. The paid-up share capital as at 31st March 2022 amounts to Rs.399.60 Lakhs.

### OPPORTUNITIES:

The primary market for the services rendered by the company is United States of America. A moderate growth is expected in the ensuing year. 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 8% 2%-3% 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 5 employees at the end of the year, from 7 at the beginning of the year. 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 2021-2022 on the following dates: 25/06/2021, 13/08/2021, 03/09/2021, 14/11/2021, 14/02/2022.

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 2021 to March 2022), 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	3	1
Smt. Lakshmi Gurram (Non Promoter and Independent Director)	5	YES	Nil	Nil
Sri Valluri Chandra Rao (Non Promoter and Independent)	4	YES	2	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 Valluri Chandra Rao (Non Promoter and Independent Director)	2

### 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 Valluri Chandra Rao	Nil
4.	Smt. Vuddaraju Triveni	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 2 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:**

<b>S.No.</b>	<b>Name of the Member</b>	<b>Designation</b>
1.	Sri K.V. Srinivasa Rao	Chairman
2.	Sri S. Man Mohan Rao	Member
3	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. 5 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 Valluri Chandra Rao	4

## 2. REMUNERATION COMMITTEE:

The Remuneration Committee was consists of Mr. K.V. Srinivasa Rao as chairman , Sri Valluri Chandra Rao & Smt lakshmi Gurram 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. Madhav Rao, 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
2020-2021	(Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") Plot No. 400, H.No. 8-2-293/82A/400, Road No. 22, Jubilee Hills, Hyderabad - 500 033.	30-09-2021	10.00 A.M.
2019-2020	Plot No. 400, H.No. 8-2-293/82A/400, Road No. 22, Jubilee Hills, Hyderabad - 500 033.	30-09-2020	11.30 A.M.
2018-2019	# 8-2-293/82A/408A, Plot No. 408A, Road No. 22A, Jubilee Hills, Hyderabad - 500 033.	29-09-2019	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 16 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
30-09-2022	Friday	10.00 AM	<b>Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")</b>

**B. Financial Calendar: 1st April, 2021 to 31st March, 2022**

1st Quarterly	Half Yearly	3rd Quarter	4th Quarter
August 2021	November 2021	February 2022	May 2022

**C. Date of Book Closure:**

24th September, 2022 to 30th September, 2022 (both days inclusive).

**D. Dividend Payment Date:**

No Dividend is recommended for the financial year 2021 – 2022

**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.

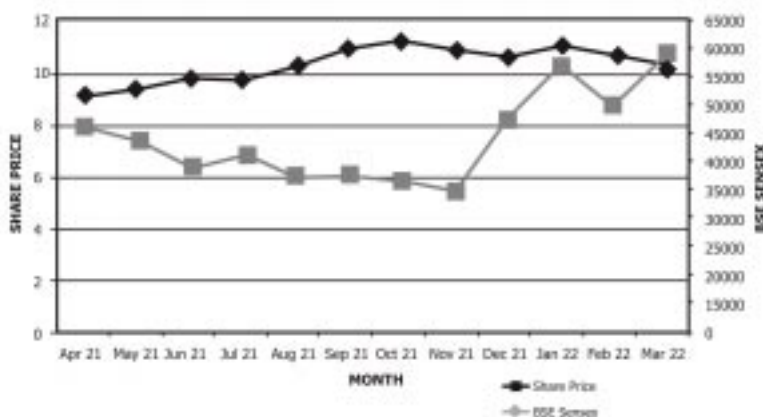
**F. Market Price Date: High/Low during each month in last financial year (2021 – 2022)**

(In Rupees)

Period	The Bombay Stock Exchange Limited (Mumbai)	
	High	Low
April 2021	8.24	7.50
May 2021	8.20	6.49
June 2021	7.14	5.61
July 2021	7.15	6.46
August 2021	6.46	5.55
September 2021	6.45	5.59
October 2021	6.13	5.49
November 2021	5.75	5.22
December 2021	10.71	5.75
January 2022	12.00	8.38
February 2022	9.85	7.50
March 2022	11.39	10.00

**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 31.03.2021 is furnished below:

Category		No. of Holders	No. of Shares	% of shares to Total Equity
From	To			
0	500	256	25,708	0.64
501	1000	15	11,565	0.29
1001	2000	11	15,540	0.39
2001	3000	9	23,198	0.58
3001	4000	2	6,664	0.17
4001	5000	2	9,172	0.23
5001	10000	12	90,433	2.26
10001 & ABOVE		30	38,13,720	95.44
<b>TOTAL</b>		<b>337</b>	<b>39,96,000</b>	<b>100.00</b>

Shareholding pattern as on 31st March 2021

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	1,13,502	2.84
4.	Individuals	14,97,888	37.48
5.	Directors and their relatives	0	0.00
6.	Employees	0	0.00
7.	NRI's	600	0.02
8.	Clearing Members	25	0.00
	<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 31.03.2022, 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**

# 8-2-686/B/6, Flat No. 401, 4th Floor, 12th Square Building,

Road No 12, Banjara Hills, Hyderabad, Telangana- 500034

Tel: 040-23399499

email : complianceofficer@capricornsys-global.com

**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 31st March 2022

Place: Hyderabad

Date: 03-09-2022

**S. MAN MOHAN RAO**

Managing Director

## CERTIFICATION ON FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022 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 31st March 2022 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: 03-09-2022

**S. MAN MOHAN RAO**

Managing Director

### Registered Office:

# 8-2-686/B/6, Flat No. 401, 4th Floor, 12th Square Building,

Road No 12, Banjara Hills, Hyderabad, Telangana- 500034

Tel: 040-23399499



## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

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

We have audited the Yearly Financial Statements of M/s. Capricorn Systems Global Solutions Limited for the quarter ended 31st March 2022 and year to date results for the period 1st April 2021 to 31st March 2022., attached herewith., being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These Quarterly Financial Statements as well as the Year to date financial statements have been prepared on the basis of the interim financial statements. This is the responsibility of the Company's Management. Our responsibility is to express an opinion on the Financial Statements. Which have been prepared in accordance with the recognition and measurements principles laid down in Indian Accounting Standard 34 (Ind AS 34) for Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there under: or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the Auditing standards generally accepted in India. Those standards issued require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit also includes assessing the evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principle used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these,

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view profit/loss and other financial information for the quarter ended 31st March 2022 as well as the year to end date results for the period from 1st April 2021 to 31st March 2022.

Place: Hyderabad.

Date: 28-05-2022

**for CMT & ASSOCIATES**

Chartered Accountants

FRN No. 011515S

**CA China Masthan T**

Partner

Membership No. 218549

UDIN : 22218549AJUEBE6902

**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
Capricorn Systems Global Solutions Limited

**Opinion**

We have audited the accompanying standalone financial statements of Capricorn Systems Global Solutions Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2022, 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, 2022 and its Profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone IndAS 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.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease

operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **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, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (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 written representations received from the directors as on 31st March 2022, and taken on record by the Board of Directors, none of the directors disqualified as on 31st March 2022, 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.

Place: Hyderabad.  
Date: 28-05-2022

**for CMT & ASSOCIATES**

Chartered Accountants

FRN No. 011515S

**CA China Masthan T**

Partner

Membership No. 218549

UDIN : 22218549AJUEBE6902

**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:**

The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

Fixed assets have been physically verified by the management during the period and no material discrepancies were identified on such verification.

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. (a) The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii)(a) of the Order is not applicable to the Company.  
(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable
- 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 maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable 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, 2022 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, 2022.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix. 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.
- x. (a) 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 (x)(a) of the Order is not applicable to the Company.
- (b) 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 (x)(b) of the Order is not applicable to the Company.
- xi. 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.
- 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. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- 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. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year there is a cash loss of Rs.42,17,004.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within

a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.
- In respect of ongoing projects, the Company has not transferred the unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date out of the amounts that was required to be spent during the year, to a Special Account in compliance with the provision of sub-section (6) of section 135 of the said Act till the date of our report since the time period for such transfer i.e. 30 days from the end of the financial year has not elapsed till the date of our report. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

Place: Hyderabad.  
Date: 28-05-2022

**for CMT & ASSOCIATES**

Chartered Accountants

FRN No. 011515S

**CA China Masthan T**

Partner

Membership No. 218549

UDIN : 22218549AJUEBE6902

## 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, 2022 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, 2022, 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.

Place: Hyderabad.  
Date: 28-05-2022

**for CMT & ASSOCIATES**

Chartered Accountants

FRN No. 011515S

**CA China Masthan T**

Partner

Membership No. 218549

UDIN : 22218549AJUEBE6902



## BALANCE SHEET AS AT MARCH 31, 2022

	Notes	31-Mar-2022	31-Mar-2021
<b>A ASSETS</b>			
<b>1. Non-Current Assets :</b>			
Property Investment	8	16,425.00	16,425.00
Property, plant and equipment	8	6,969.34	7,244.80
Capital work-in-progress	8	83,500.00	83,500.00
Other Intangible Assets	8	200,000.00	2,00,000.00
<b>Financial Assets :</b>			
Investments		-	-
Loans	6	3,046.94	3,046.94
Deferred Tax Assets (Net)	7	1,952.31	2,364.24
Other Non-current Assets	-	-	-
<b>Sub Total - Non-Current Assets</b>		<b>3,11,893.59</b>	<b>3,12,580.98</b>
<b>2 Current Assets :</b>			
Inventories	-	-	-
Investments	-	-	-
Trade Receivables	9	-	768.10
Cash and cash equivalents	10	137.05	302.05
Bank Balances other than Cash and Cash equivalents above	10	64,588.31	30,254.41
Other Current Assets	6	38,303.95	36,021.35
<b>Sub Total - Current Assets</b>		<b>1,03,029.31</b>	<b>67,345.91</b>
<b>TOTAL ASSETS</b>		<b>4,14,922.90</b>	<b>3,79,926.89</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
Equity Share Capital	1	3,99,600.00	3,99,600.00
Other Equity	2	(25,421.49)	(50,415.91)
<b>Total Equity</b>		<b>3,74,178.51</b>	<b>3,49,184.09</b>
<b>2 Liabilities</b>			
Non Current Liabilities			
Financial Liabilities			
Provisions	5	-	19,065.99
<b>Sub Total - Non-Current Liabilities</b>		<b>-</b>	<b>19,065.99</b>
<b>3 Current Liabilities</b>			
<b>Financial Liabilities :</b>			
Borrowings		-	-
Trade Payables	3	608.65	578.19
Other Current Liabilities	4	32,844.93	1,777.12
Provisions	5	7,290.81	9,321.50
<b>Sub Total - Current Liabilities</b>		<b>40,744.39</b>	<b>11,676.81</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,14,922.90</b>	<b>3,79,926.89</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 China Masthan T**

Partner

Membership No.: 218549

UDIN :

Place : Hyderabad

Date : 28 May 2022

Sd/-

**S MAN MOHAN RAO**

Director

DIN : 00109433

Sd/-

**PM PADMAJA**

Company Secretary

PAN : AWCPP4761B

Sd/-

**V. TRIVENI**

Director

DIN : 08267772

Sd/-

**D MADHAV RAO**

Chief Financial Officer

PAN : AHGPD3053P

## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	31-Mar-2022	31-Mar-2021
<b>1. Income</b>			
a. Sales from Operations	11	1,32,187.43	1,32,058.08
b. Other Operating Income		-	-
<b>1. Total Income from Operations (net) (1.a. + 1.b)</b>		<b>1,32,187.43</b>	<b>1,32,058.08</b>
<b>2. Expenses</b>			
a) Employee benefits expense	13	1,00,538.83	1,02,276.03
b) Depreciation and amortisation expense	8	275.46	1,523.66
c) Other expenses	14	25,545.27	72,684.96
<b>Total Expenses [sum of (a) to (c)]</b>		<b>1,26,359.56</b>	<b>1,76,484.65</b>
<b>3. Profit from operations before other income, finance costs and exceptional items (1-2)</b>		<b>5,827.87</b>	<b>(44,426.57)</b>
4. Other Income	12	1,704.79	959.73
<b>5. Profit from ordinary activities before finance costs and exceptional items (3+4)</b>		<b>7,532.66</b>	<b>(43,466.84)</b>
6. Finance costs		-	-
<b>7 Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>		<b>7,532.66</b>	<b>(43,466.84)</b>
8. Exceptional Items - net credit (charge)		-	-
<b>9. Profit from Ordinary Activities Before Tax (7+8)</b>		<b>7,532.66</b>	<b>(43,466.84)</b>
<b>10. Tax Expense</b>			
Current Tax		1,714.02	1,015.28
Income Tax paid for earlier years		586.73	217.88
Deffered Tax		411.93	(1,006.30)
<b>11. Net Profit from Ordinary Activities After Tax (9-10)</b>		<b>4,819.98</b>	<b>(43,693.70)</b>
12. Extraordinary items		-	-
<b>13. Net Profit for the period (11+12)</b>		<b>4,819.98</b>	<b>(43,693.70)</b>
14. Other Comprehensive Income (Net of tax) - net credit / (charge)		20,174.44	(2,313.90)
<b>15. Total Comprehensive Income (13+14)</b>		<b>24,994.42</b>	<b>(46,007.60)</b>
<b>16. Earning Per Share (EPS) before extraordinary items (of Re.10/- each) (not annualised) :</b>			
a. Basic - Rs.		0.625	(1.151)
b) Diluted - Rs.		0.625	(1.151)

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 China Masthan T**

Partner

Membership No.: 218549

UDIN :

Place : Hyderabad

Date : 28 May 2022

Sd/-

**S MAN MOHAN RAO**

Director

DIN : 00109433

Sd/-

**PM PADMAJA**

Company Secretary

PAN : AWCPP4761B

Sd/-

**V. TRIVENI**

Director

DIN : 08267772

Sd/-

**D MADHAV RAO**

Chief Financial Officer

PAN : AHGPD3053P

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March 2022

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

Particulars	Number of Shares	Amount
Balance as on 1st April, 2021	39,960.00	3,99,600.00
Issued during the year	-	-
<b>Balance as on 31st March, 2022</b>	<b>39,960.00</b>	<b>3,99,600.00</b>
Balance as on 1st April, 2020	39,960.00	3,99,600.00
Issued during the year	-	-
<b>Balance as on 31st March, 2021</b>	<b>39,960.00</b>	<b>3,99,600.00</b>

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

Particulars	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
<b>Opening Balance as on 01.04.2021</b>	<b>66,340.06</b>	<b>(1,16,755.97)</b>	<b>(50,415.91)</b>
Add : Transfer to General Reserve	-	-	-
Add : Profit during the year	-	4,819.98	4,819.98
Add : Other Comprehensive Income	-	20,174.44	20,174.44
<b>Closing Balance as on 31.03.2022</b>	<b>66,340.06</b>	<b>(91,761.55)</b>	<b>(25,421.49)</b>
Opening Balance as on 31.03.2020	66,340.06	(70,748.37)	(4,408.31)
Add : Transfer to General Reserve	-	-	-
Add : Profit during the year	-	(43,693.70)	(43,693.70)
Add : Other Comprehensive Income	-	(2,313.90)	(2,313.90)
<b>Closing Balance as on 31.03.2021</b>	<b>66,340.06</b>	<b>(1,16,755.97)</b>	<b>(50,415.91)</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 &amp; Associates

Firm's Reg. No.: 011515S

Chartered Accountants

Sd/-

## CA China Mastan T

Partner

Membership No.: 218549

UDIN :

Sd/-

## S MAN MOHAN RAO

Managing Director

DIN : 00109433

Sd/-

## V. TRIVENI

Director

DIN : 08267772

## PM PADMAJA

Company Secretary

PAN : AWCPP4761B

## D MADHAV RAO

Chief Financial Officer

PAN : AHGPD3053P

Place : Hyderabad

Date : 28 May 2022

**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31 MARCH 2022**

PARTICULARS	As at 31st March, 2022	As at 31st March, 2021
<b>1. Cash Flow from Operating Activities</b>		
<b>Profit before extraordinary items and tax</b>	<b>7,532.66</b>	<b>(43,466.84)</b>
<b>Add : Adjustments for</b>		
Depreciation	275.46	1,523.66
Loss/(Profit) on Sale of Fixed Asset (Motor Car)	-	(575.00)
Other Comprehensive Income (Net of Tax)	20,174.44	(2,313.90)
<b>Operating Profit before working capital changes</b>	<b>27,982.56</b>	<b>(44,832.08)</b>
<b>Increase / Decrease in Working Capital</b>		
(Increase) / Decrease in Sundry Debtors	768.10	(768.10)
(Increase) / Decrease in Loans & Advances	-	-
(Increase) / Decrease in Other Assets	(1,870.67)	50,298.42
Increase / (Decrease) in Other Current Liabilities	10,001.59	(7,326.27)
<b>Cash Generated / Used in Operations</b>	<b>8,899.02</b>	<b>42,204.05</b>
Income Tax Paid (Net of Refunds)	<b>(2,712.68)</b>	<b>(226.86)</b>
<b>Less : Taxes Paid (Income Tax)</b>	<b>(2,712.68)</b>	<b>(226.86)</b>
<b>Net Cash Flow from Operating Activities - I</b>	<b>34,168.90</b>	<b>(2,854.89)</b>
<b>II. Cash From Investing Activities :</b>		
Proceeds from Sale of Fixed Assets	-	1,100.00
<b>Net Cash Flow from Investing Activities - II</b>	-	1,100.00
<b>III. Cash from Financing Activities</b>		
Increase in Short Term Borrowings	0.00	0.00
Financial Charges	0.00	0.00
<b>Net Cash Flow from Financing Activities - III</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Increase in Cash &amp; Cash Equivalent (I+II+III)</b>	<b>34,168.90</b>	<b>(1,754.89)</b>
<b>Reconciliation :</b>		
Cash & Cash Equivalents at the beginning of the year	30,556.46	32,311.35
Cash & Cash Equivalent at the end of the year	<b>64,725.36</b>	<b>30,556.46</b>
<b>Increase in Cash &amp; Cash equivalents at the end of the year</b>	<b>34,168.90</b>	<b>(1,754.89)</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 China Masthan T**

Partner

Membership No.: 218549

UDIN :

Place : Hyderabad

Date : 28 May 2022

Sd/-

**S MAN MOHAN RAO**

Managing Director

DIN : 00109433

**PM PADMAJA**

Company Secretary

PAN : AWCPP4761B

Sd/-

**V. TRIVENI**

Director

DIN : 08267772

**D MADHAV RAO**

Chief Financial Officer

PAN : AHGPD3053P

**Note 1 : SIGNIFICANT ACCOUNTING POLICIES****Overview and 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. The Equity Shares of the Company are listed on the Bombay Stock Exchange.

**Significant Accounting policies:****Statement of compliance**

Standalone Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013. Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2022, the Statement of Profit and Loss for the year ended 31 March 2022, the Statement of Cash Flows for the year ended 31 March 2022 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements'). These financial statements are approved for issue by the Board of Directors on 28th May 2022.

**Basis of preparation of Financial Statements**

The separate financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013. Exceptions if any are given with suitable disclosure in the Financial statements wherever we come across.

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Standalone Financial Statements have been presented in Indian Rupees (INR), which is the functional currency of the Company. All financial information presented in INR has been rounded off to the nearest hundreds, unless otherwise stated.

**Use of estimate**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

**(a) Revenue Recognition**

Revenue from Software Development is recognized based on Software Developed and billed as per the terms of specific contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue is recognised based on actual service provided vis-à-vis proportion of the total services to be provided at the end of the year. Income from dividend if any, is accounted on cash basis.

**(b) Interest income**

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.

**(c) Income taxes:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

**Current tax**

The tax currently payable is based on taxable profit for the year. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

**Minimum Alternate Tax (MAT)**

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**(d) Provisions:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

**(e) Employee benefits:**

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave and other terminal benefits.

**Short-term employee benefits**

Wages and salaries, including non-monetary benefits that are expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Post-employment benefits:****Defined contribution plan**

Employee Benefit under defined contribution plans comprises of Contributory provident fund, Post Retirement benefit scheme, Employee pension scheme, composite social security scheme etc. is recognized based on the undiscounted amount of obligations of the Company to contribute to the plan. The same is paid to a fund administered by Central Government. Contributions are charged to the Profit and Loss Account in the year in which they accrue.

**Defined benefit plan**

The company has a defined Benefit plan gratuity, which is recognized based on the present value of defined benefit obligations which is computed using the projected unit credit method, in accordance with INDAS 19, 'Employee Benefits' with actuarial valuations being carried out at the end of each annual reporting period. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized either as current employee cost or included in cost of assets as permitted. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

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

But for the current financial year the employees are below ten and there will be no any future liability on gratuity and the balance is transferred to the P&L account and there is no liability in Balance Sheet.

**Other long-term employee benefits**

Other long-term employee benefit comprises of leave encashment towards un-availed leave and compensated absences, these are recognized based on the present value of defined obligation, which is computed using the projected unit credit method, carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted in the period in which they occur.

**(f) Property, plant and equipment:**

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

**Depreciation and useful life**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction).

## Derecognition

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

### (g) Intangible assets:

#### Useful life and amortisation

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over the useful lives of the asset from the date of capitalisation. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination viz. Goodwill, Patents, Copyrights and Brands that do not have definite useful life are not amortised. If events or changes in circumstances indicate that they might be impaired, they are tested for impairment.

## Derecognition

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount. The Company has elected to continue with carrying value of all its intangible assets recognised as on transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

### (h) Impairment

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised immediately in the Statement of Profit and Loss.

### (i) Work in progress

Particulars	As at 31st, March, 2022	As at 31st March, 2021
Capital Work-in-Progress	83,500.00	83,500.00

The capital work-in-progress ageing schedule for the years ended March 31, 2022 and March 31, 2021 is as follows :

Particulars	Amount in capital-work-in progress for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 Years
Projects in progress	-	-	-	83,500.00

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

### (j) 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.



**(k) Foreign exchange translation**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss. Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise.

**(l) Cash and cash equivalents**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

**(m) Earnings Per Share:**

Basic earnings per share is calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit or loss after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

	31-Mar-2022	31-Mar-2021
<b>NOTE : 1 - SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
Authorised (50,00,000 equity shares of Rs.10 each)	5,00,000.00	5,00,000.00
	<b>5,00,000.00</b>	<b>5,00,000.00</b>
<b>Issued, Subscribed &amp; Paid-up.</b>		
Issued, Subscribed and Paid-up Capital (39,96,000 equity shares of Rs.10/- each)	3,99,600.00	3,99,600.00
	<b>3,99,600.00</b>	<b>3,99,600.00</b>

## a. Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting year :

	31-Mar-2022		31-Mar-2021	
	No. of Equity Shares	Amount	No. of Equity Shares	Amount
Equity shares of Rs.10/- each fully paid up at the beginning of the Year	39,96,000	3,96,600.00	39,96,000	3,96,600.00
<b>Outstanding at the end of the year</b>	<b>39,96,000</b>	<b>3,96,600.00</b>	<b>39,96,000</b>	<b>3,96,600.00</b>

## b. 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.

## c. Details of Shareholders holding more than 5 % shares in the company

Particulars	31-Mar-2022		31-Mar-2021	
	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. RAJ KUMAR	3,00,000	7.51	3,73,900	9.36
3. SURENDER REDDY G	3,00,000	7.51	3,00,000	7.51
4. SHAH KIRIT M	2,95,539	7.40	2,95,539	7.40
5. LAXMI TWISTERS LIMITED	2,68,600	6.72	2,68,600	6.72
6. SYSTAMATIX FINCORP INDIA PRIVATE LIMITED	2,00,000	5.01	2,00,000	5.01

As per the records of the company including register of share holders and other declarations received from share holders regarding beneficial interest, the above share holding represent both legal and beneficial interest.

## Note : 2 Other Equity

Particulars	31-Mar-2022	31-Mar-2021
<b>General Reserve</b>	<b>66,340.06</b>	<b>66,340.06</b>
<b>Profit &amp; Loss Account :</b>		
Opening Balance	(1,16,755.97)	(70,748.37)
Add : Profit for the year	4,819.98	(43,693.70)
Add : Comprehensive Income (Net of Tax)	20,174.44	(2,313.90)
	<b>(91,761.55)</b>	<b>(1,16,755.97)</b>
<b>Total</b>	<b>(25,421.49)</b>	<b>(50,415.91)</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

	Non Current		Current	
	31-Mar-2022	31-Mar-2021	31-Mar-2022	31-Mar-2021
<b>3. Trade Payables</b>				
Total outstanding dues of micro and small enterprises	-	-	-	-
Total outstanding dues of creditors other than micro and small enterprises (Refer note 19)	-	-	608.65	578.19
	-	-	<b>608.65</b>	<b>578.19</b>
<b>4 Other Liabilities</b>				
Other Liabilities	-	-	26,119.14	1,777.12
Advances from Customers	-	-	6,725.79	
	-	-	<b>32,844.93</b>	<b>1,777.12</b>
<b>5 Provisions</b>				
Provision for Income Tax	-	-	-	3,211.53
Other Provisions :				
- For Employee Benefits	-	-	2,845.28	1,522.25
- For Gratuity Provisions	-	19,065.99	-	421.37
- For other Statutory Taxes	-	-	4,445.53	4,166.35
	-	<b>19,065.99</b>	<b>7,290.81</b>	<b>9,321.50</b>
<b>6 Loans and Advances</b>				
<b>a) Security Deposits :</b>				
Secured, considered good	2,100.00	2,100.00	-	-
Unsecured, considered good	-	-	-	-
Doubtful	-	-	-	-
	<b>2,100.00</b>	<b>2,100.00</b>	-	-
b) Prepaid expenses - Unsecured, considered good	-	-	255.62	187.50
c) Advance Income Tax & TDS	-	-	1,120.70	3,668.33
<b>d) Balances with government authorities (Unsecured, considered good) :</b>				
i) Input Tax Credit (GST)	-	-	5,540.22	3,812.54
ii) Income Tax Refund / TDS Receivable / MAT Cr.	-	-	62.96	172.40
iii) Deposit with Central Excise	571.00	571.00	-	-
iv) Other Deposits	375.94	375.94	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

	Non Current		Current	
	31-Mar-2022	31-Mar-2021	31-Mar-2022	31-Mar-2021
<b>e) Other Loans and Advances :</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	27,475.61	24,182.90
Employee Loans	-	-	3,848.84	3,848.84
	946.94	946.94	38,303.95	35,872.51
<b>(f) Other Assets</b>				148.84
	<b>3,046.94</b>	<b>3,046.94</b>	<b>38,303.95</b>	<b>36,021.35</b>
<b>7 Deferred Taxes (Net)</b>				
Deferred Tax Assets :				
Property, Plant and Equipment			1,509.36	2,102.49
Employee benefits			442.96	261.75
			<b>1,952.31</b>	<b>2,364.24</b>
<b>9 Trade Receivables</b>				
Outstanding for a period exceeding Six Months			-	-
Other Debtors (Unsecured, considered good)			-	768.10
			-	<b>768.10</b>
<b>10 Cash and Bank Balances</b>				
Cash and cash equivalents :				
Cash on Hand			137.05	302.05
Balance with banks on current accounts			64,588.31	30,254.41
Cheques in Hand			-	
			<b>64,725.36</b>	<b>30,556.46</b>
<b>11 Revenue from operations</b>				
Sale of Services - Software Development (EXPORTS)			1,32,187.43	1,32,058.08
			<b>1,32,187.43</b>	<b>1,32,058.08</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

	31-Mar-2022	31-Mar-2021
<b>12 OTHER INCOME</b>	<b>1,704.79</b>	<b>959.73</b>
	<b>1,704.79</b>	<b>959.73</b>
<b>13 Employee Benefits expense</b>		
Salaries and Benefits	86,591.97	89,645.62
Directors Remuneration	10,500.00	8,250.00
Contribution made towards :.		
Provident Fund	2,966.86	3,053.86
Gratuity	-	1,079.44
Staff Welfare Expenses	480.00	247.11
	<b>1,00,538.83</b>	<b>1,02,276.03</b>
<b>14 Other Expenses</b>		
Internet Charges	3,375.28	3,057.07
Rent, Rates & Taxes	9,596.52	7,184.62
Electricity Charges	276.52	242.01
Travelling & Conveyance	500.00	1,156.75
Repairs & Maintenance	1,320.23	2,180.90
Professional & Consultancy Charges	4,141.40	3,510.00
Office Maintenance & Security	-	864.19
Listing Fee & Demat Charges	4,142.94	4,618.08
General Expenses	1,442.38	49,121.34
Payment to Auditors	750.00	750.00
	<b>25,545.27</b>	<b>72,684.96</b>
<b>15 Depreciation and amortization expense</b>		
Depreciation of Tangible Assets	275.46	1,523.66
Amortization of Intangible Assets	-	-
	<b>275.46</b>	<b>1,523.66</b>

**Note 8. : Property, Plant and Equipment**

Particulars	Land	Computers & Hardware	Office Equipment	Furniture & Fixtures	Vehicles	Total
<b>Cost / Deemed Cost</b>						
<b>As at 1st April 2020</b>	<b>16,425.00</b>	<b>50,285.62</b>	<b>34,528.35</b>	<b>45,915.59</b>	<b>18,565.72</b>	<b>1,65,720.28</b>
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	10,500.00	10,500.00
<b>As at 31st March, 2021</b>	<b>16,425.00</b>	<b>50,285.62</b>	<b>34,528.35</b>	<b>45,915.59</b>	<b>8,065.72</b>	<b>1,55,220.28</b>
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>As at 31st March, 2022</b>	<b>16,425.00</b>	<b>50,285.62</b>	<b>34,528.35</b>	<b>45,915.59</b>	<b>8,065.72</b>	<b>1,55,220.28</b>
<b>Depreciation and Impairment</b>						
<b>As at 1st April 2020</b>	-	<b>47,771.35</b>	<b>32,801.92</b>	<b>42,853.58</b>	<b>16,574.97</b>	<b>1,40,001.82</b>
Depreciation Charge for the year	-	-	-	461.20	1,062.46	1,523.66
Disposals	-	-	-	-	9,975.00	9,975.00
<b>As at 31st March, 2021</b>	-	<b>47,771.35</b>	<b>32,801.92</b>	<b>43,314.78</b>	<b>7,662.43</b>	<b>1,31,550.48</b>
Depreciation Charge for the year	-	-	-	275.46	-	275.46
Disposals	-	-	-	-	-	-
<b>As at 31st March, 2022</b>	-	<b>47,771.35</b>	<b>32,801.92</b>	<b>43,590.24</b>	<b>7,662.43</b>	<b>1,31,825.94</b>
<b>Net Book Value</b>						
<b>As at 31 March, 2022</b>	<b>16,425.00</b>	<b>2,514.27</b>	<b>1,726.43</b>	<b>2,325.35</b>	<b>403.29</b>	<b>23,394.34</b>
<b>As at 31 March, 2021</b>	<b>16,425.00</b>	<b>2,514.27</b>	<b>1,726.43</b>	<b>2,600.81</b>	<b>403.29</b>	<b>23,669.80</b>

**16. Related party disclosures**

**A. Names of related parties and related party relationship**

Name of the related party	Nature of Relationship
Man Mohan Rao Suddala	Managing Director
KV Srinivasa Rao	Director
G Lakshmi	Woman Director
Chandra Rao Valluri	Director
Triveni Vuddaraju	Director
Capricorn Systems Inc. (USA)	Owned by relative of Managing Director

**B. Details of Related Party Transactions**

Name of the Related Party	Nature of Transaction	31-03-2022	31-03-2021
Capricorn Systems Inc. (USA)	Sale of Goods and Services	1,32,187.43	1,32,058.08
Man Mohan Rao - Managing Director	Remuneration	9,000.00	8,250.00
G Lakshmi - Woman Director	Board Sitting Fee	720.00	720.00
V. Chandra Rao - Director	Board Sitting Fee	360.00	720.00
Triveni Vuddaraju - Director	Board Sitting Fee	420.00	-

**C. Balance Receivable / (Payable) at year end**

	31-03-2022	31-03-2021
Capricorn Systems Inc. (USA)	(6,725.79)	768.10
S Manmohan Rao	(4,144.00)	(976.00)
G Lakshmi	(162.00)	(162.00)
V. Chandra Rao	-	(162.00)
Triveni Vuddaraju	(189.00)	-

**17. Additional Information :**

	31-03-2022	31-03-2021
a. Expenditure in Foreign Currency	Nil	Nil
b. Earnings in Foreign Exchange	140099	116420
c. CIF value of imports	Nil	Nil

**18. Segment Information :**

The Company is engaged in "Software Development", which is considered as the only business segment. Accordingly, no separate segment information has been provided herein.

19. Based on the information available with the Company, there are no vendors who are registered as Micro and Small enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at 31st March 2022.

**20. Retirement Benefits :**

Company's contribution to Provident Fund charged to Profit and Loss Account, Gratuity and Leave Encashment benefits are charged to Profit and Loss Account.

**21. Rounding off :**

All the amounts in Financial Statements are in Indian Rupees. Depending upon the total income of the company, amounts appearing the financial statements have been rounded off to the nearest hundreds or decimals thereof.

**22. Previous year amounts :**

Previous year amounts have been regrouped / reclassified, where necessary, to conform to this year's classification.

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 CHINA MASTHAN T**  
Partner  
Membership No.: 218549

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

Sd/-  
**V. TRIVENI**  
Director  
DIN : 08267772

UDIN :

Place : Hyderabad  
Date : 28 May 2022

**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**

# 8-2-686/B/6, Flat No. 401, 4th Floor, 12th Square Building, Road No 12, Banjara Hills, Hyderabad-34.

Tel: 040-23399499, 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 37th Annual General Meeting of the company, to be held on Friday, the 30th September, 2022 at 10.00 A.M, through video conferencing (VC) or other audio visual means (OAVM). Hence, Members / Proxy can attend and participate in the ensuing AGM through VC/OAVM at the Registered Office 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, 2022 together with the reports of Directors and Auditors thereon		
2	To Appoint of M/s. SNMR & Associates as Statutory Auditors.		

\* 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



If Undelivered Please Return to :

**Capricorn Systems Global Solutions Ltd.,**

REGISTERED OFFICE

# 8-2-686/B/6, Flat No. 401, 4th Floor, 12th Square Building,

Road No 12, Banjara Hills, Hyderabad, Telangana- 500034

Tel: 040-23399499

**Anjana Graphics**  
98494 79396