

CADSYS (INDIA) LIMITED

**Regd. Office: 3-5-900/1, IVth Floor, Aparajitha Arcade,
Himayath Nagar,
HYDERABAD-29**

Consolidated Balance Sheet

2015-16


CADSYS (INDIA) LIMITED
 3-5-900/1, IVth Floor, Aparajitha Arcade
 Himayathnagar, Hyderabad, Telangana-500029
CONSOLIDATED BALANCE SHEET AS AT 31.03.2016

Particulars	Note No	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
		Rs.	Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	10,805,000	10,805,000
(b) Reserves and surplus	3	169,667,336	116,841,230
Minority Interest		141,913	143,177
2 Non-current liabilities			
(a) Long-term Borrowings	4	16,075,897	29,649,373
(b) Deferred Tax Liabilities (Net)	5	3,258,798	2,819,586
(c) Other Long-term Liabilities	6	1,890,417	3,199,980
(d) Long-term provisions	7	2,722,099	2,722,099
3 Current liabilities			
(a) Short-term Borrowings	8	20,994,982	4,224,440
(b) Trade payables	9	4,604,776	2,370,372
(c) Other current liabilities	10	48,387,528	41,537,464
(d) Short-term provisions	11	7,885,449	19,476,070
TOTAL		286,434,194	233,788,791
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	47,652,499	38,388,532
(ii) Intangible assets	12	95,061	2,553,603
(b) Non Current Investments	13	5,149,221	3,056,244
(c) Long-term loans and advances	14	27,226,038	20,257,331
2 Current assets			
(a) Trade receivables	15	34,665,108	23,095,519
(b) Cash and cash equivalents	16	163,727,443	139,463,542
(c) Short-term loans and advances	17	3,405,992	3,748,510
(d) Other current assets	18	4,512,832	3,225,510
TOTAL		286,434,194	233,788,791

Significant Accounting policies
 Notes on Financial Statements
 As per our report of even date
 for NARVEN ASSOCIATES
 Chartered Accountants
 Firm Registration Number: 0059055


1
 2 to 29

For and on behalf of the Board of Directors


 Partner
 (M.No 025995)




 N.C.V. RANGACHARYA
 Managing Director


 N.C. PADMAJA
 Executive Director

Place: Hyderabad
 Date: 02/09/2016



CADSYS (INDIA) LIMITED

3-5-900/1, IVth Floor, Aparajitha Arcade

Himayathnagar, Hyderabad, Telangana-500029

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

Particulars	Note No.	Figures As at the End of	Figures As at the End of
		Current Reporting Period	Previous Reporting Period
		Rs.	Rs.
Revenue from operations	19	298,415,150	235,436,717
Other income	20	21,516,619	8,657,892
Total Revenue		319,931,769	244,094,609
Expenses			
Employee Benefit Expense	21	159,564,361	110,457,907
Other Operating Expenses	22	51,600,710	43,507,011
General Expenses		7,882,317	1,886,624
Financial costs	23	8,812,011	6,134,002
Depreciation and amortization expense	12	11,036,601	9,103,145
Total Expenses		238,896,000	171,088,689
Profit / (Loss) before tax		81,035,768	73,005,920
Tax expense:			
(a) Current tax Expense		25,438,682	23,137,186
(b) Deferred tax Expense / (Income)		439,212	2,751,384
(c) Earlier Year Taxes			171,755
Profit / (Loss) after tax before Minority Interests		55,157,874	46,945,595
Less : Minority Interests		(15,956)	105,749
Profit for the year		55,173,830	46,839,846
Earning Per Share			
(i) Basic		51.06	43.35
(ii) Dilutive			

Significant Accounting policies
Notes on Financial Statements

1
2 to 29

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

For and on behalf of the Board of Directors

[Signature]
Partner



[Signature]
N.C.V.RANGACHARYA
Managing Director

[Signature]
N.C.PADMAJA
Executive Director

Place: Hyderabad
Date: 02/09/2016



Particulars	Figures As at the End of Current Reporting Period		Figures As at the End of Previous Reporting Period	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised Capital Equity shares of INR 10 each with voting rights 36,50,000 Nos of shares including 1,50,000 shares of merged company cogent (P.Y 36,50,000 shares of Rs. 10 each)	3,650,000	36,500,000	3,650,000	36,500,000
(b) Issued, Subscribed and Fully paid up: Equity shares of INR 10 each with voting rights	1,080,500	10,805,000	1,080,500	10,805,000
Total	1,080,500	10,805,000	1,080,500	10,805,000

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

Name Of the Share Holder	Figures As at the End of Current Reporting Period		Figures As at the End of Previous Reporting Period	
	Number of shares	% Held	Number of shares	% Held
	559,800	51.81	559,800	51.81
Padmaja N.C	275,100	25.46	275,100	25.46
Rangacharya NCV	140,200	12.98	140,200	12.98
Pushpavathi N.C				
Total	975,100	90.25	975,100	90.25

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

Particulars	Figures As at the End of Current Reporting Period		Figures As at the End of Previous Reporting Period	
	No.Of.Shares	Amount in Rs	No.Of.Shares	Amount in Rs
Equity Shares at the beginning of the year	1,080,500	10,805,000	1,080,500	10,805,000
Add: Shares issued during the year	-	-	-	-
Less: Shares Bought back during the year	-	-	-	-
Equity Shares at the end of the year	1,080,500	10,805,000	1,080,500	10,805,000

Note 3 Reserves and surplus

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
(a) Security Premium Account		
Opening balance	800,000	800,000
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance (A)	800,000	800,000
(b) General reserve		
Opening balance	12,780,000	7,780,000
Add: Transferred from surplus in Statement of Profit and Loss	5,000,000	5,000,000
Less: Utilised / transferred during the year	-	-
Closing balance (B)	17,780,000	12,780,000
(c) Capital reserve on Consolidation		
Excess of Net assets acquired over investment made	-	-
Closing balance (C)	-	-
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	101,938,302	67,288,467
Add/(Less) : Pre acquisition (Profits)/ Loss Relating to Minority Interest	2,451	108,979
Add: Depreciation Adjusted with Reserves as per Sch II of Companies Act, 2013	-	5,705,654
Add: Profit / (Loss) for the year	55,173,830	46,839,846
Less: Proposed Dividend	(2,161,000)	(10,805,000)
Less: Dividend Distribution Tax	(439,929)	(2,199,644)
Less: Transfer to General Reserve	(5,000,000)	(5,000,000)
Closing balance (D)	149,513,654	101,938,302
(e) Foreign Currency Translation Reserve		
Closing balance (E)	1,573,682	1,322,928
Total(A+B+C+D+E)	169,667,336	116,841,230



Note 4 Long Term Borrowings

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
Term Loans		
Secured		
From Banks		
Term Loan from Canara Bank		3,800,000
Unsecured		
From Banks		
Standard Chartered Bank	1,424,019	3,778,839
RBL Bank	955,077	2,183,116
HDFC Bank	704,237	1,765,378
Kotak Mahindra Bank		1,310,502
NCV Rangacharya	303,084	
From Other Parties		
Fullerton	1,352,209	3,101,655
Capital First Ltd	1,082,525	2,482,744
Bajaj Finance	984,289	2,436,336
Magma Fincorp Ltd	971,567	2,203,000
Religare Finvest Ltd	822,403	1,875,312
Tata Capital		1,691,416
Long term maturities of finance lease obligations		
Hewlett Packard Financial Services (India) Pvt Ltd	4,401,334	2,795,998
Vehicle Loan -Tata Capital	34,590	225,078
Vehicle Loan -Daimler	3,040,564	
Total	16,075,897	29,649,373

Of the above

The Term Loan from bank is a Rupee Term Loan taken from Canara Bank which carries interest rate of base rate 13.00% p.a. (floating). It is repayable in 14 quarterly instalments. Equipment procured out of Term Loan are secured by way of Hypothecation of Equipment on Exclusive charge basis and personal guarantee given by the Managing Director, and Executive Director and Director of the Company.

Collateral Security of Residential Plots admeasuring 2000 Sq Yds situated at Thimmayapalli, Keesara Mandal R.R.Dist, and Open Plots admeasuring 5230 Sq.Yds situated at Ghanpur Village, Toopran Mandal, Medak District and open plot No.11 admeasuring 773 Sq Yds and Open Plots admeasuring 7465 Sq Yds at Ghanpur Village, Toopran Mandal, Medak Dist. and open Plots admeasuring 2311 Sq Yds situated at Yawapoor Village, Toopran Mandal, Medak District.

Fixed Deposit of Mrs.N C Pushpavathi and NC Rangamani for Rs.30.00 lakhs has been pledged

Note 5 Deferred Tax Liability

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
Deferred tax liability		
Related to fixed assets	5,623,762	4,234,220
Deferred tax assets		
Disallowances under the income tax act' 1961	(2,364,964)	(1,414,634)
Deferred tax Liability (Net)	3,258,798	2,819,586

Note 6 Other Long -term Liabilities

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
Advance from Customers		
Anuradha Meadows Pvt Ltd	27,530	
Ashrae Clean room Presentations Pvt Ltd	138,730	
Sahithi Constructions	50,000	
Shilpa Architects Hyd	15,834	
Loan From Related Party		
NCV Rangacharya		1,618,576
Payable to others		
Sattaluri Sri Devi	1,658,323	1,564,770
Battle Mecarthy Ltd - London	-	16,634
Total	1,890,417	3,199,980



Note 7 Long -term Provisions

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
Provision for Employee retirement benefits		
Provision for Gratuity	2,722,099	2,722,099
Total	2,722,099	2,722,099

Note 8 Short Term Borrowings

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
Loans Repayable on Demand From Banks Secured Over Draft from Canara Bank	20,994,982	4,224,440
Total	20,994,982	4,224,440

Of the above

Over Draft Secured by way of Hypothecation of Equipment on Exclusive charge basis and personal guarantee given by the Managing Director, and Executive Director and Director of the Company.

Collateral Security of Residential Plots admeasuring 2000 Sq Yds situated at Thimmayapalli, Keesara Mandal R.R.Dist, and Open Plots admeasuring 5230 Sq.Yds situated at Ghanpur Village, Toopran Mandal, Medak District and open plot No.11 admeasuring 773 Sq Yds and Open Plots admeasuring 7465 Sq Yds at Ghanpur Village, Toopran Mandal, Medak Dist. and open Plots admeasuring 2311 Sq Yds situated at Yawapoor Village, Toopran Mandal, Medak District.

Fixed Deposit of Mrs.N C Pushpavathi and NC Rangamani for Rs.30.00 lakhs has been pledged

Note 9 Trade payables

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
Dues to Micro,Small and Medium Micro Enterprises	-	-
Others		
Trade Payables	4,604,776	2,370,372
Total	4,604,776	2,370,372

Note 10 Other current liabilities

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
Current Maturities of Long Term Debt	18,116,192	17,280,035
Current Maturities of Finance Lease Obligations	5,791,097	2,883,625
Employee Benefits Payable		
Bonus Payable	4,430,802	1,638,000
Employee Recreation Fund	406,902	337,702
Employee Benefits Payable	246,505	1,179,513
Director Remuneration Payable	521,475	2,291,262
Salaries Payable	8,995,581	7,870,582
Statutory Liabilities Payable		
Professional Tax Payable	16,550	14,400
PF Payable	699,748	421,433
TDS Payable	747,477	1,407,092
Interest on TDS Payable		
ESI Payable	318,157	168,416
ASIC Fee Payable	1,931	
Other Payables		
Advance From Byers Engineering Co	3,316,645	
Conveyance Payable	24,000	120,000
Rent Payable	1,138,758	526,071
Electricity Charges Payable	975,902	699,166
Telephone Charges Payable	15,963	15,822
Maintenance Charges Payable	94,529	19,899
Audit Fee Payable	313,500	247,192
Secretarial Audit Fee Payable	6,870	6,742
Expenses Payable	2,208,944	4,410,512
Total	48,387,528	41,537,464



Note 11 Short-term provisions

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
Provision for Proposed Dividend	2,161,000	10,805,000
Provision for Dividend Distribution Tax	439,929	2,199,644
Provision for Income Tax (Net of TDS & Advance Tax)	5,284,521	6,471,426
Total	7,885,449	19,476,070

Note 13 Non Current Investments

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
Canara Bank Robeco Mutual Fund	5,149,221	3,056,244
Total	5,149,221	3,056,244

Note 14 Long-term loans and advances

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
(a) Capital advances Unsecured, considered good	-	500,000
(b) Advance for Capital Investment Unsecured, considered good Ametritech Engineering Solutions, Inc-USA Investments- Instancy Inc USA	12,518,160 1,512,500	12,518,160 1,427,174
(c) Security deposits Rent Deposits Electricity Deposits Other Deposits	5,710,836 1,259,021 358,416	2,242,704 713,429 198,416
(d) Balances with government authorities Unsecured, considered good	279,686	1,028,742
(e) Other loans and advances Unsecured Considered Good APIIC Limited IpowerFour Technologies Pvt. Ltd Ranj Associates	5,587,419 - - -	- 1,621,390 7,316
Total	27,226,038	20,257,331

Note 15 Trade receivables

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
Trade receivables Unsecured, considered good More than six months Others	1,657,123 33,007,985	- 23,095,519
Total	34,665,108	23,095,519



Note 16 Cash and cash equivalents

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
(a) Cash on hand	121,851	118,671
(b) Balances with banks		
(i) In current accounts	6,448,455	9,260,831
(ii) In EEFC accounts	2,275,749	6,755,795
(iii) In Fixed deposit accounts <i>(period of maturity within one year)</i>	154,881,387	123,328,246
Total	163,727,443	139,463,542

Note 17 Short-term loans and advances

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
(a) Loans and advances to employees	3,000	300,000
(b) Others		
Prepaid Expenses	1,162,171	1,040,079
Other Advances	1,146,911	1,304,210
Mat credit entitlement	-	-
TDS & Refund receivables	1,060,196	1,072,315
Input GST	33,714	31,906
Total	3,405,992	3,748,510

Note 18 Other current assets

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
Interest Accrued On Fixed Deposits	3,669,257	3,207,510
Other receivables	843,575	-
Rent Receivable	-	18,000
Total	4,512,832	3,225,510



CADSYS (INDIA) LIMITED

SCHEDULE-12 FIXED ASSETS :

S.No	DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK			Useful Life in Yrs	
		As at 01-04-2015	Additions during the year	Translation on Exchange Difference	Deletions	As on 31-03-2016	Up to 01.04.2015	During the Year till 31/03/2016	Deletions	As on 31-03-2016	As on 31-03-2016		As on 31-03-2015
		Rs.	Rs.			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
	Tangible Fixed Assets												
1	Furniture & Fittings	17,000,289	171,949			17,172,238	11,130,142	1,778,554		12,908,696	4,263,542	5,870,147	10
2	Computer	65,544,817	10,385,225			75,930,042	45,749,897	2,984,414		48,734,311	27,195,731	19,794,920	3
3	Servers	4,083,654	-			4,083,654	1,119,912	683,555		1,803,467	2,280,187	2,963,742	6
4	Electrical Equipments	5,029,488	-			5,029,488	4,025,547	770,332		4,795,879	233,609	1,003,941	10
5	Office Equipement	4,774,865	914,784			5,689,649	3,724,057	471,960		4,196,017	1,493,632	1,050,808	5
6	Vehicle	2,357,772	5,281,767		1,343,062	6,296,477	953,851	683,562	690,660	946,753	5,349,724	1,403,921	8
7	Air conditioner	2,272,105	112,081			2,384,186	1,618,307	205,734		1,824,041	560,145	653,798	10
8	Generator	3,371,362	23,000			3,394,362	1,565,785	448,894		2,014,679	1,379,683	1,805,577	10
9	U.P.S	2,678,222	1,265,368			3,943,590	1,311,080	625,095		1,936,175	2,007,415	1,367,142	5
10	Communication Equipment	4,298,274	545,740			4,844,014	2,544,603	131,445		2,676,048	2,167,966	1,753,671	5
11	Land	720,865	-			720,865	-			-	720,865	720,865	-
	Total	112,131,713	18,699,914		1,343,062	129,488,565	73,743,181	8,783,545	690,660	81,836,066	47,652,499	38,388,532	
	Intangible Fixed Assets												
12	Software	22,192,881	287,280	(485)	2,364,889	20,114,787	19,639,279	2,252,326	1,871,878	20,019,727	95,061	-	1
	Total	22,192,881	287,280			20,114,787	19,639,279	2,252,326	1,871,878	20,019,727	95,061	-	



Note 19. Revenue from Operations

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
Revenue from operations		
Sale of Services	298,415,150	235,436,717
Total	298,415,150	235,436,717

Note 20. Other income

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
Interest Income	10,973,496	7,506,181
Income from Sub -Rental	53,144	647,775
Miscellaneous income	2,629,927	300,000
Gain On sale of software	817,075	-
Dividend from Mutual Funds	292,977	181,936
Credit Balances Written off	-	22,000
Debit balances written off recovered	6,750,000	-
Total	21,516,619	8,657,892

Note 21. Employee Benefit Expense

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
Salaries and wages	140,833,740	97,968,805
Remuneration to Directors	9,600,000	6,000,000
Contributions to provident and other funds	7,121,447	4,243,402
Staff welfare expenses	1,760,055	1,371,091
Gratuity	249,119	874,609
Total	159,564,361	110,457,907



Note 22. Other Operating Expenses

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
Travelling and Conveyance	5,965,040	1,263,732
Internet Charges	2,125,388	1,788,377
Rates & Taxes	789,435	513,251
Rent	11,399,779	6,925,467
Debit Balances Written Off	57,326	-
Deposits Written Off	809,180	-
Bank charges	250,351	1,111,818
Professional & Consultancy Charges	3,125,928	3,721,001
Postage & Courier Charges	11,178	12,418
Electricity Charges	8,929,536	6,247,629
Loss on Foreign Exchange Fluctuation	3,234,746	3,179,230
Insurance	5,975,594	214,034
Offshore Digitization Charges	-	3,103,425
Digitization Charges	-	2,327,394
Printing & Stationery	579,859	442,431
Payments to Auditor as :		
(a) Statutory Audit Fee	185,490	247,192
(b) Tax Audit Fee	158,010	-
Repairs & Maintenance - Others	1,550,444	2,501,209
Security Charges	958,722	659,000
Software Expenses	-	1,958,238
Subscription & Other Charges	1,170,935	560,611
STPI Charges	430,063	336,007
Telephone Charges	233,714	319,967
Interest On TDS	7,500	18,520
Advertisement and Business Promotion	176,772	75,332
Prior Period Expenses	74,421	710,069
Computer Hire Charges	2,555,736	1,574,000
Computer Consumables	643,163	488,747
Foreign Travel Expenses	-	2,981,140
VISA Fee	-	226,770
Loss on Sale of Vehicle	202,402	-
Total	51,600,710	43,507,011

Note 23. Financial costs

Particulars	Figures As at the End of Current Reporting Period	Figures As at the End of Previous Reporting Period
	Rs.	Rs.
Interest expense on:		
- Interest on Finance Lease Loans	1,256,176	955,848
- Interest On Working Capital Loans	1,697,877	2,022,758
- Interest on Unsecured Loans	5,556,383	3,155,396
- Interest on Vehicle loans	301,575	-
Total	8,812,011	6,134,002



CADSYS (INDIA) LIMITED
3-5-900/1, IVth Floor, Aparajitha Arcade
Himayathnagar, Hyderabad, Telangana-500029
CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31st March 2016

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax as per Statement of Profit and Loss	81,035,768	73,005,920
<u>Adjustments For :</u>		
Depreciation and Amortization Expense	11,036,601	9,103,145
Finance Costs	8,812,011	6,134,002
Interest Income	(10,973,496)	(7,506,181)
Dividend Income	(292,977)	(181,936)
Loss on Sale of Vehicle	202,402	-
Gain On sale of software	(817,075)	-
Credit Balances written off	-	(22,000)
Debit Balances Written Off	6,750,000	-
Operating Profit before Working Capital Changes	95,753,235	80,532,950
Adjustments for Changes in Working Capital :		
Adjustments for (Increase) / Decrease in operating assets		
Long-term loans and advances	(6,968,707)	(161,447)
Trade Receivables	(18,319,589)	(19,877,056)
Short Term Loans & Advances	342,518	(1,065,170)
Other Current Assets	(1,287,322)	(2,313,659)
Adjustments for Increase / (Decrease) in operating liabilities		
Other Current Liabilities	6,850,064	16,581,174
Long Term Provisions	-	(503,208)
Trade Payables	2,234,404	(3,889,238)
Other Long Term Liabilities	(1,309,564)	(12,182,667)
Cash from Operations	77,295,039	57,121,679
Income Tax Paid	(26,613,468)	(15,224,364)
Net Cash Generated from Operating Activities (A)	50,681,571	41,897,315
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Purchase of Fixed Assets & Goodwill others	(19,685,895)	(3,798,650)
Payments for Purchase of Mutual Funds	(2,092,977)	(1,800,000)
Interest Income	10,973,496	7,506,181
Dividend Received	292,977	-
Sale of Software	2,458,542	-
Net Cash Used in Investing Activities (B)	(8,053,857)	1,907,531
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	(13,573,476)	18,966,740
Proceeds from Shortterm Borrowings	16,770,542	(477,186)
Change in Minority Interest	14,692	31,902
Finance Costs Paid	(8,812,011)	(6,134,002)
Dividend and Dividend Distribution Tax Paid	(13,004,644)	(12,641,310)
Net Cash Generated from Financing Activities (C)	(18,604,898)	(253,856)
Effect of Exchange Differences on translation of foreign currency cash and Cash Equivalents	241,085	1,322,928
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	24,263,900	44,873,919
Add: Cash & Cash Equivalents As at 31st March, 2015	139,463,543	94,589,624
Cash & Cash Equivalents As at 31st March, 2016	163,727,443	139,463,543

Significant accounting policies
Notes on Financial Statements

1
2 to 29

As per our report of even date
For **NARVEN ASSOCIATES**
Chartered Accountants
Firm's registration no. **005905S**

[Signature]
Partner
M.No 025995
Place: Hyderabad
Date: 02/09/2016



[Signature]
N.C.V. RANGACHARYA
Managing Director

[Signature]





Independent Auditor's Report

To the Members of
CADSYS (INDIA) LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **CADSYS (INDIA) LIMITED** (the holding Company) and its subsidiary (collectively referred as "the company" or "the group"), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "The Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid

Auditor's Responsibility

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

Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

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 purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure-A";and
- f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigations which have impact on its financial position in its financial statements,
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses,
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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




Place: Hyderabad
Date: 02/09/2016

G.V.RAMANA
Partner
Membership No.:025995



Annexure - A to the Auditors' Report of CADSYS (INDIA) LIMITED

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31st March 2016, We have audited the internal financial controls over financial reporting of CADSYS (INDIA) LIMITED (the holding Company) and its subsidiary (collectively referred as "the company" or "the group") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its Subsidiary have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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


G.V.RAMANA
Partner



Membership No.:025995

Place: Hyderabad
Date: 02/09/2016

1. SIGNIFICANT ACCOUNTING POLICIES:

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

I. Basis of preparation of consolidated financial statements

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

II. Principles of Consolidation

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

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

- The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un realized profits or losses as per Accounting Standard 21-"Consolidated Financial Statements & Accounting for Investments in Subsidiaries in Separate Financial Statements".
- Since Cadsys (India) Limited is holding shares of Cad Technologies Australia Pty Ltd from the beginning of its incorporation hence neither goodwill nor capital reserve will appear on consolidation.
- Since Cadsys (India) Limited is holding shares of Cadsys Technologies LLC USA from the beginning of its incorporation hence neither goodwill nor capital reserve will appear on consolidation.
- The consolidated financial statements are presented, to the extent possible, in the format as that adopted by the parent company for its separate financial statements.

Following are the Subsidiaries:

Name of the Company	% of Share Holding of Incorporation	Country
1. Cadsys Technologies Australia Pty Ltd	99.89%	AUSTRAILA
2. Cadsys Technologies LLC USA	96.86%	USA



II. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of financial statements and reported amounts of income and expenses during the period. Actual results could differ from the estimates. Examples of such estimates including provision for doubtful debts, future obligations under employee retirement benefit plan, Income taxes. Any changes in estimates are adjusted prospectively.

Contingencies are recorded when it's probable that liability will be incurred, and the amount can be reasonably estimated. Where no reliable estimate can be made, a disclosure is made as contingent Liability.

III. Revenue recognition:

The company generally follows mercantile system of accounting and recognizes significant items of income on accrual basis.

1. Revenue from Providing Services of 'Software as a service' is recognized when the processes of services are completed and the data is transferred to the customer and billed to clients as per the terms of contracts.
2. Interest income is accounted on time proportion basis.
3. Other Items of Income are accounted as and when right to receive arises.

IV. Expenditure:

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities.

V. Fixed Assets & Depreciation:

Fixed Assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of tangible fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the cost of acquisition and installation of the respective asset.

Depreciation is provided on Straight Line method basing on the useful life of the assets.

VI. Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for Intended use. All other borrowing cost are charged to revenue.

VII. Impairment Of Assets:

An asset is treated as impaired when carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the profit and Loss A/c in the year in which an asset is identified as impaired. The impairment loss is recognized in prior accounting periods is reversed if there has been a change in the estimate recoverable amount.

VIII. Investments

Investments are either classified as current or long term, based on the management's intention at the time of purchase. Current investments are carried at the lower of cost or Fair Value. Long Term investments are carried at cost and Provisions are recorded to recognize any decline, other than temporary, in the carrying value of the each investment.



IX. Foreign currency transaction:

Transactions in foreign currency are recorded at Exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the balance Sheet date and resulting gain or loss is recognized in the profit and Loss Account. Non-Monetary assets and liabilities are translated at the rate prevailing on the date of transaction

X. Accounting for Taxes on Income:

Current Tax: Provision for Current Income tax is made on the basis of the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax: Deferred income tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated

Timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the Balance Sheet date. The deferred tax assets are recognized only to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

XI. Earnings Per Share:

In determining earnings per share, the company considers the net profit after tax and included the post tax effect of any extra ordinary /exceptional item is considered. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares consolidated for deriving basic earnings per share, and also the weighted average number of equity shares that could have adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the outstanding share.) Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

XII. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

XIII. Provisions and Contingencies :

A Provision is recognized when there is a Present Obligation as a result of past event, for which it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

A disclosure for a Contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made



NOTES FORMING PART OF PROFIT & LOSS A/C:

24. Capital Commitment and Contingent liabilities:

- a. Estimated amount of unexecuted capital contracts Rs. NIL
b. Contingent Liabilities :

S.No	Particulars	2015-16	2014-15
1	Outstanding Corporate Guarantees	1,72,485	1,43,406

25. Auditors Remunerations:

Particulars	(Amount in Rs)	
	Current Year	Previous Year
Audit Fee	3,43,500	2,47,192
Total	3,43,500	2,47,192

26. Related Party Transactions:

- a) Name of the related parties & relationship:

Type of Relationship	Entities
(i) Subsidiary Company	1.Cad Technologies Australia Pty Ltd 2.Cadsys Technologies LLC USA
(ii) Key Management Personnel	1.Padmaja Nallani chakravarthi 2.NallaniChakravarthi Madhavi 3. NallaniChakravarthi Venkata Rangacharya 4.Sripadarajan Nagarajan 5.Chandrasekhar 6.V-enable Education Pvt. Ltd 7.Compasonic Technologies



b) Transactions with Related parties

Name of the Related Party	N.C.V. Rangacharya	N.C.Padmaja
Description of the nature of transactions	Receiving Services of	Receiving Services of
Volume of transactions either as an amount or as appropriate proportion	Managerial Remuneration of Rs.60,00,000/-	Managerial Remuneration of Rs.36,00,000/-
Any other elements of the related party transactions	NIL	NIL
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	Managerial Remuneration Payable of Rs. 3,00,000/-	Managerial Remuneration Payable of Rs. 2,21,475/-
Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties	NIL	NIL

26. There were no overdue amounts exceeding Rs.1, 00,000/- each, which are outstanding for more than 30 days payable to Small Scale Industrial Undertakings as on 31st March, 2016.

27. Paise has been rounded off to the nearest rupee.

28. Previous Year Figures are regrouped wherever necessary.



29. Additional Information to the Consolidated Financial Statements:

S.NO	NAME OF THE ENTITY	AS AT 31 MARCH 2016		FOR THE YEAR ENDED 31 MARCH 2016	
		NET ASSETS i.e. TOTAL ASSETS MINUS TOTAL LIABILITIES		SHARE IN PROFIT/(LOSS)	
		AS % OF CONSOLIDATED NET ASSETS	AMOUNT	AS % OF CONSOLIDATED PROFIT/(LOSS)	AMOUNT
	Parent				
	Cadsys (India) Limited	99.92%	180,472,336	100.00%	55173830
	Subsidiaries				
	Foreign				
1	Cad Technologies Australia Pty Ltd	0.07848%	141,738	-0.028%	(15,626)
2	Cadsys Technologies LLC USA	0.0001%	175	-0.001%	(330)

As per our report of even date attached
For NARVEN ASSOCIATES
 Chartered Accountants
 Firm Reg. No. 005905S

for & on behalf of the Board of Directors
CADSYS (INDIA) LIMITED




(G.V. Ramana)
Partner
 Place: Hyderabad
 Date: 02/09/2016


Managing Director


Director

