

**33rd
ANNUAL REPORT
2017-2018**

**Capricorn Systems
Global Solutions Limited**

BOARD OF DIRECTORS

- | | |
|---------------------------|-----------------------------------|
| 1. Mr. S. Man Mohan Rao | Director |
| 2. Mr. Anand Deshmukh | Director (Resigned on 29/05/2018) |
| 3. Mr. K.V. Srinivasa Rao | Director |
| 4. Mrs. Lakshmi Gurram | Director |

Registered Office & Development Centre:

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

Auditors:

M/s. CMT & Associates

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

Secretarial Auditors:

M/S AAKASH AGARWAL

Company Secretary in Practice
Kubera Towers, Himayatnagar, Hyderabad
Phone: +91-9030544604
Email : aakashagarwal.cs@gmail.com

Physical & Demat Registrars :

Venture Capital and Corporate Investments Pvt. Limited

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

Bankers:

ICICI Bank Limited,

S.R. Nagar Branch,
Hyderabad – 500 038.

Registered Office:

Plot No. 400, H.No. 8-2-293/82A/400,
Road No: 22A, Jubilee Hills,
Hyderabad – 500 033. Phone: 9032008866
Fax: 040-23547889
Email id: complianceofficer@capricornsys-global.com
Website: www.capricornsys-global.com
CIN: L52510TG1985PLC043347

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Third Annual General Meeting of the members of CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED will be held on Saturday the 29th September, 2018 at the registered office of the Company situated at Plot No. 400, H.No. 8-2-293/82A/400, Road No: 22A, Jubilee Hills, Hyderabad – 500 033. at 11.30 A.M., to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2018, including the audited Balance Sheet as at March 31, 2018, the Statement of Profit and Loss for the year ended on that date, the cash flow statement for the year ended and the reports of the Board of Directors ('the Board') and Auditors thereon.

SPECIAL BUSINESS:

2. **Appointment of Mr. Rama Krishna Konchada (DIN: 08056819) as an Independent Director for 5 years**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 49 of Listing Agreement, Mr. Rama Krishna Konchada (DIN :08056819), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th August, 2018 is be and is hereby ratified and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director subject to approval by the stock exchange, be and is hereby appointed as an Independent Director of the Company, to hold the office as such for a period of 5 (five) consecutive years for a term upto the conclusion of the Annual General Meeting of the Company in the Calendar Year 2022”.

3. **To Appoint of Mr S. Man Mohan Rao as Managing Director of company**

To consider, and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of the section 196, 197, 198, 203, Schedule V and Other applicable Provisions, if any of the Companies Act, 2013 including any statutory modifications, re- enactment thereof and subject to such other approval as may be required, the company hereby accords its approval for the re-appointment of Mr S. Man Mohan Rao as the Managing Director of the Company for a period of Five (5) years from 1st October, 2018 to 30th September, 2023 on the terms and conditions including the remuneration and perquisites as may be decided by the board be and is hereby approved and sanctioned with the authority to the board of directors of the Company in such manner as the board may deem fit within the overall limit as specified in schedule V of the Companies Act, 2013 for the time being in force or any statutory modification or reenactment thereof and / or any rules or regulations framed there under.

“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: 31-08-2018

By order of the Board

For Capricorn Systems Global Solutions Limited
S. Man Mohan Rao

Director

DIN : 00109433

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. Pursuant to Regulation 42 of SEBI (Listing obligations and disclosure requirements regulations 2015) read with Section 91 of the Companies Act, 2013 the Register of Members and Register of Share Transfer Books of the Company will remain closed from 23rd September, 2018 to 29th September, 2018 (both days inclusive).
3. Members holding shares in physical form are requested to intimate the change, if any, in their Registered Address to the Company quoting their Registered Folio. If the shares are held in Demat form, intimation regarding the change of address, if any, has to be notified to the concerned Depository Participant where the Shareholder is maintaining the Demat Account.
4. Statement as required under the provisions of Section 102 (1) of the Companies Act, 2013 is enclosed to this notice.
5. Members / Proxies should bring the Attendance slips duly filled in for identification for attending the meeting.
6. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the Meeting.
7. In accordance with Section 101 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, the Annual Report (Audited Financial Statements, Directors Report, Auditors Report etc.) is being sent to the shareholders in electronic form to the email address registered with their Depository Participant (in case of electronic shareholding) the Company's Registrar and Share Transfer Agents (in case of physical shareholding).
 We, therefore request and encourage you to register your email ID in the records of your Depository Participant (in case of electronic holding) the Company's Registrar and Share Transfer Agents (in case of physical shareholding) mentioning your folio no./demat account details.
 However, in case you wish to receive the above shareholder communication in paper form, you may write to the Company's Registrar and Share Transfer Agents M/s Venture Capital and Corporate Investments Pvt. Ltd. Unit: Capricorn System Global Solutions Limited or send an email at mentioning your folio no. / demat account details.
 The soft copy of the Annual Report 2017 – 2018 can also be downloaded from the company's website i.e., www.capricornsys-global.com
8. Requests for transfer of physical shares received during the period of book closure shall be considered only after the reopening of Books.
9. Shareholders may avail the nomination facility under Section 72 of the Companies Act, 2013. The relevant nomination form is appended to this notice.
10. SEBI has made it mandatory for every participant in the securities / capital market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details off PAN along with a Photocopy of both sides of the PAN card, duly attested, to the Registrar and Share Transfer Agents of the Company.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Wednesday, the 26th September, 2018 from 9.00 A.M. (09.00 Hrs) and will end on Friday the 28th September, 2018 at 5.00 P.M. (17.00 Hrs). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21st September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

(viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

The Scrutinizer, after scrutinising the votes cast at the meeting (Insta Poll) and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges. xi. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 14, 2018.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote. (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on 26th September, 2018 at 9.00 a. m., and ends on 28th September, 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to.
- I. The company has appointed Mr. N. Satyanarayana, a practicing Chartered Accountant, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.
 - II. The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.
 - III. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. 29th September, 2018.

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

PROFILE OF Sri S. Man Mohan Rao (DIN: 00109433):

Sri S. Man Mohan Rao is the Director have joined the Board 01-04-1998. He is a Engineering Graduate and has over 41 years of Managerial Experience in setting of and Operating Small & Medium Manufacturing Companies. His industry exposure includes Textiles, Paper and Software Services.

PROFILE OF Mr. Rama Krishna Konchada (DIN 08056819):

Sri. Rama Krishna Konchada has joined as Additional Director of the Board on 14-08-2018. He is a non-executive Director of the company. He is a Post Graduate having more than 8 years of experience in the areas of compliances and accountancy. His industry exposure includes Management Consulting, Hospitality, Real Estate and Construction.

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

(Pursuant to Clause 49 of the Listing Agreement)

Particulars	Mr. S. Man Mohan Rao	Mr. Rama Krishna Konchada
Date of Birth	15-04-1948	05-04-1979
Date of Appointment	01-04-1998	14-08-2018
Qualification	Engineering Graduate	Post Graduate
Experience in Specific Functional Area	Management	Services
Chairmanship / Directorship of other companies including Foreign Companies and section 25 Companies	1	1
Chairmanship / Membership of other Public Companies	NIL	NIL
No. of Shares held in the Company	17,07,223	NIL

Place: Hyderabad
Date: 31/08/2018

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

BOARD'S REPORT

To,
The Members,
CAPRICORN SYSTEMS GLOBAL SOLUTIONS LIMITED
Your Directors have pleasure in presenting the 33rd (Thirty Third) Annual Report of your Company together with the Audited Accounts for the financial year ended 31st March, 2018 and the report of the Auditors thereon.

FINANCIAL RESULTS

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

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

Particulars	2017-18	2016-17
Total Income	3,70,02,148	4,90,49,857
Total Expenditure	3,53,14,599	4,83,11,997
Profit / (Loss) before Finance Costs and Exceptional Items	16,87,549	7,50,501
Less : Finance Cost	11,91,719	0
Profit / (Loss) before Tax	4,95,830	7,50,501
Less : Tax Expense	2,75,685	2,26,007
Profit / (Loss) for the year after Tax	2,20,146	5,24,494

THE STATE OF THE COMPANY AFFAIRS

The operations of the company have witnessed a fall of about 27% in terms of the revenue due to some of the long terms works being carried out by the company coming to an end.

The company is making efforts to enhance the scope of the works being carried out to the existing customers along with the addition of new customers. Company with its talented work force is continuing its efforts on development new technologies and products.

REVIEW OF OPERATIONS:

Turnover for the year ended 31st March, 2018 was Rs. 35,767,575/- as against Rs. 4,90,49,857/- in the previous year. The Net Profit for the year was at Rs. 2,20,146/- as against Rs 5,24,494/- in the previous year.

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

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

APPROPRIATION**INDUSTRY STRUCTURE AND DEVELOPMENT:**

The company is engaged in the business of software development, providing Business Process Out sourcing,

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

LISTING OF EQUITY SHARES:

The Company's Equity shares are presently listed on BSE Limited and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the financial year 2017 – 2018

DIVIDEND

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

Transfer to Reserves

There was transfer of Rs 2,20,146 /- to Reserves during the financial year under report.

Share Capital

The Authorized Share Capital of the Company remains unchanged during the financial year 2017-18

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 29.05.2017, 11.08.2017, 31.08.2017, 14.11.2017, 13.02.2018 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

DIRECTORS

During the financial year under the review, there is no change in the constitution of the Board of Directors. During the financial year, as per section 164(2) of companies act, 2013 Mr Anand Balwantrao Deshmukh, Independent Director of the company was disqualified as director of the company.

AS PER THE PROVISIONS OF INDEPENDENT DIRECTORS

The performance of the Individual Directors on the Board and the Committees thereof is done by the Board

and the Independent Directors in their exclusive meeting done as per the policy formulated by the Board in this regard.

INTERNAL FINANCIAL CONTROL

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. In the preparation of the annual accounts for the financial year 2017–2018, 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 2017–2018.

TRANSACTIONS WITH RELATED PARTIES:

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

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