

**38th
ANNUAL REPORT
2022-2023**

**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 Gurram | Director |
| 4. Mrs. Vuddaraju Triveni | Director |

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: 040-35173188
Email id: complianceofficer@capricornsys-global.com
CIN: L52510TG1985PLC043347

Auditors:

M/s. SNMR & Associates

Chartered Accountants,
Flat No. 304, Siri Enclave,
Beside Axis Bank, Srinagar Colony,
Hyderabad - 500073
Ph : 040-35170951

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

Regd. Off : "Aurum"
D.No.4-50/P-II/57/4F & 5F,
4th & 5th Floors, Plot No. 57,
Jayabheri Enclave, Phase - II,
Gachibowli, Hyderabad - 500032.
Ph : 040-23818475 / 76 email: investor.relations@vccipl.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 **38th Annual General Meeting (AGM)** of the members of Capricorn Systems Global Solutions Limited will be held on Saturday, 30th September 2023 at 10.30 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, 2023, including the audited balance sheet as at March 31, 2023, 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.

"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: 02-09-2023

By order of the Board
For Capricorn Systems Global Solutions Limited

Sd/-
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: 040-35173188
Email id: 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://capricornsys-global.com/> The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at 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.
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
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 27.09.2023 at 9.00 A.M. (IST) and ends on 29.09.2023 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 29.09.2023 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.
- (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 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* | <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"> - 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) | <p>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.</p> <ul style="list-style-type: none"> - 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 26.09.2023 mentioning their name, demat account number/folio number, email id, mobile number at 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. 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 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.

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 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.satyugmail.com & complianceofficer@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, under help section or write an email to 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 or call on 022-23058542/43.

Place: Hyderabad
Date: 02-09-2023

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 38th (Thirty Eight) Annual Report of your Company together with the Audited Accounts for the financial year ended 31st March, 2023 and the report of the Auditors thereon.

FINANCIAL RESULTS

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

(Figures in Hundreds)

| Particulars | 31-03-2023 | 31-03-2022 |
|---------------------------------------------------|--------------------|--------------------|
| Revenue from Operations | 1,31,902.60 | 1,32,187.43 |
| Total Income | 1,31,902.60 | 1,32,187.43 |
| Employee Benefit Expense | 1,00,598.66 | 99,038.83 |
| Depreciation and Amortization Expense | 29.57 | 275.46 |
| Other Expenses | 25,189.35 | 27,045.28 |
| Total Expenditure | 1,25,817.58 | 1,26,359.56 |
| Profit from operations before other income | 6,085.02 | 5,827.87 |
| Other Income | 1,339.43 | 1,704.79 |
| Profit / (Loss) Before Tax | 7,424.45 | 7,532.66 |
| Less : Tax Expense | 2,020.32 | 2,712.68 |
| Profit / (Loss) for the year after Tax | 5,404.13 | 4,819.98 |
| Add : Other Comprehensive Income | 2,729.30 | 20,174.44 |
| Total Comprehensive Income | 8,133.43 | 24,994.42 |

REVIEW OF OPERATIONS:

Turnover for the year ended 31st March, 2023 was Rs. 1,31,90,260/- as against Rs. 1,32,18,743/- in the previous year. The Company registered a Profit of Rs. 8,13,343/- as against loss of Rs. 24,99,442/- 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 2022-23. 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 2022-2023

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 2022-23

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 28.05.2022, 13.08.2022, 03.09.2022, 14.11.2022, 14.02.2023. 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

No Changes.

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 2022-23, 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;