



CADSYS (INDIA) LTD

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URL: www.cadsystech.com
CIN No. L72200TG1992PLC014558

To,

Date: July 10th, 2020

The Manager - Listing Department,
The National Stock Exchange of India Limited - EMERGE,
Exchange Plaza, NSE Building,
Bandra Kurla Complex,
Mumbai - 400 051.

NSE Symbol: CADSYS

ISIN No.: INE090Y01013

Dear Sir/Madam,

Subject: Frequently asked Investor Queries - financial results 2019-20.

Dear Sir/Ma'am,

The company has received queries from the investors on the financial statements of the company for FY 2019-20. We have compiled most frequently asked queries and the company responses for your reference.

We request the Stock exchange and the investors to kindly take note of the same.

Thanking You,
For and on behalf of Cadsys (India) Limited

B. Shailaja

Babladi Shailaja
Company Secretary and Compliance Officer
Membership No. A42918



1. Trade Receivables have gone through the roof. Can you please clarify the reason and how much of this is bad receivable expected?

Cadsys Comment: There are no Bad debts expected. The Company received a significant payment in the month of May and June.

2. There is an asset sale on books. Can you confirm what was the asset sale?

Cadsys Comment: This is refund from APIIC (Andhra Pradesh Industrial Corporation). Cancellation of land allotment by AP Govt of Mangalagiri project.

3. The goodwill is removed. Is it permanently impaired?

Cadsys Comment: It has not been impaired. There has been change in the classification. The figure of Rs. 86 lacs shown separately in FY 18-19 has been moved to Intangible assets in Fixed Assets.

4. There are huge exchange rate differences posted. Can you please provide an explanation and your hedging strategy if any?

Cadsys Comment: As per the AS 11 of IGAAP, company having non integral foreign operations has to translate all the foreign assets/liabilities both monetary and non-monetary at the closing rate (1 USD =75.30 INR). Hence all resulting exchange differences should be accumulated in foreign currency translation reserve. As rupees during the year 2019-20 has shown downward trend this has resulted in exchange rate difference. This is compliance of accounting standard by the company. Hedging strategy cannot be implied under these circumstances.

5. Why is there reduction in cash on books?

Cadsys Comment: We note that the cash in books has reduced but a major chunk of it was utilized to payoff high interest short term borrowings to tune of 5.56 cr (please see below snapshot). As prudence matters, showing cash in books and servicing interest for WC loan cannot be done.

Short term borrowings (Cadsys Standalone)		
Particulars	As at 31.03.2020	As at 30.09. (First Half) 2019
	Rs.	Rs.
Canara Bank Working Capital Loan	-	20,046,708
Canara Bank Bill Discounting	-	22,112,352
Canara Bank Packing Credit	-	13,500,000
-	-	55,659,060

6. We have observed a reduction of company sales, profit. Please explain why the company observed plunge in the Sales and PAT?

Cadsys Comment: From our analysis below are few causes we have attributed for fall in the Sales of Cadsys for FY 2019-20. All the factors mentioned under are attributable to macro level causing visible impact on the company.

- The reduction of sales is due to slow down of the operations. The social distancing was announced in the beginning of February. Implementation of Social distancing was impeding as the fielders could not conduct site surveying and data collection activities in certain regions. COVID-19 outbreak which started from Mid Feb onwards in major parts of USA has halted major part of Onsite work such as data collection, site surveying, etc, to carry out the GIS services at India office. Jan 19 to March 19 sales for last FY was 5 cr approx. Due to force majeure circumstances we have been unable to fulfil our services resulting in decline in sales revenue by 4.5 Cr YOY basis to 2019 -20 4Q.

- Further, we would like to inform you that due to Corona Virus in China in Dec/Jan the shipments of fibre did not arrive since Jan onwards and due to which construction activity got halted in January. The construction inactivity directly effected in slowing down of design inputs from customers. There was a significant supply chain disruption for our US clients which has begun to recover since mid-May month.

- Delay in awarding project by the Client - The IDIQ project which was to be announced in December 2019 was given in March 2020.

- Even though we have noted a shortfall in the Sales part of the operational expenses – salaries (which attributes to the major portion of expenses) had to be paid out. However, we have ensured to maintain employee costs by implementing salary abetment plans to all the eligible employees.

7. How many customers does Cadsys have?

Cadsys Comment: Cadsys has over 20 clients.

8. What is the size of current business order book?

Cadsys Comment: As indicated in the investor presentation, Cadsys has bagged IDIQ (indefinite delivery and indefinite quantity) which has a potential of over \$ 20 Million USD over 2 to 3 years. Additionally, Cadsys is continuing to implement existing contracts worth over \$ 5 million USD.