



ACROPETAL[®]
TECHNOLOGIES LIMITED
INNOVATING A BETTER WORLD

14th
ANNUAL REPORT
2014-15

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ravi Kumar D	Chairman and Managing Director
Dr. Subramanya Reddy D K	Independent Director
Dr. Madhu Sudhana Reddy M	Independent Director

COMPANY SECRETARY

Mr. Vijayendra R
Resigned with effect from : 26th June, 2015

AUDIT COMMITTEE

Dr. Subramanya Reddy D K	Chairman
Mr. Ravi Kumar D	Member
Dr. Madhu Sudhana Reddy M	Member

NOMINATION AND REMUNERATION COMMITTEE

Dr. Subramanya Reddy D K	Chairman
Mr. Ravi Kumar D	Member
Dr. Madhu Sudhana Reddy M	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Dr. Subramanya Reddy D K	Chairman
Mr. Ravi Kumar D	Member
Dr. Madhu Sudhana Reddy M	Member

STATUTORY AUDITORS

M/s. K Gopalakrishnan & Co.,
Chartered Accountants,
#120, Infantry Road,
Bangalore – 560 001.

BANKERS

State Bank of Travancore
Axis Bank Limited
United Bank of India

REGISTERED OFFICE

#74/75, 3rd Cross,
1st Main, N.S. Palya,
Bannerghatta Road,
Bangalore – 560 076.
Corporate Identification Number
L72900KA2001PLC028944
PHONE : 080 4908 4000
FAX : 080 4908 4100
E-mail : corp@acropetal.com
Website : www.acropetal.com

Index

1. Notice of 14th Annual General Meeting	04
2. Letter to Shareholders	13
3. Directors' Report	14
4. Management Discussion and Analysis	35
5. Corporate Governance Report	40
6. Auditors' Report - Standalone	49
7. Standalone Financials	53
8. Auditors' Report - Consolidated	80
9. Consolidated Financials	82
10. Attendance Slip & Proxy Form	113

NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING

Acropetal Technologies Limited

Registered office: #74/75, 3rd Cross, 1st Main,
N. S. Palya, Bannerghatta Road,
Bangalore- 560 076
CIN : L72900KA2001PLC028944
Phone : 080 4908 4000
Fax : 080 4908 4100
E-mail : ir@acropetal.com
Website : www.acropetal.com

Notice is hereby given that the Fourteenth Annual General Meeting of Acropetal Technologies Limited will be held on Tuesday, the 24th November, 2015 at 10.00 AM at the Registered Office of the Company at #74/75, 3rd Cross, 1st Main, N S Palya, Bannerghatta Road, Bangalore - 560 076 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the standalone and consolidated financial statements of the Company for the year ended 31st March, 2015, including the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date together with the reports of Board of Directors and the Auditors thereon.
2. To appoint Mr. D. Ravi Kumar who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. K Gopalakrishnan & Co, Chartered Accountants, Bangalore (Firm Registration No. 009600S) as approved by Members at the Thirteenth Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of Sixteenth Annual General Meeting, and to fix their remuneration for the financial year ending 31st March, 2016

SPECIAL BUSINESS:

4. Re-Appointment of Managing Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT subject to the approval of members on the Ordinary Business No. 2 of this notice and pursuant to the provisions of Sections 152, 196 and 197 read with Schedule V to the Companies Act 2013 and the Rules framed thereunder, and all other applicable provisions, if any, of the Companies Act, 2013, the approval of the Company be and is hereby accorded to the re-appointment of Mr. Ravi Kumar D, as Managing Director of the Company, for a further period of three years with effect from December 15, 2015 on

the following remuneration, terms and conditions as decided by the Nomination and Remuneration Committee of the Directors:

1. EMOLUMENTS:

Salary – Re.1/- (Rupee One only) per annum.

The Remuneration Committee is authorised to increase salary by giving annual increments on 1st December every year

2. PERQUISITES

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax, 1961;
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c) Encashment of leave at the end of the tenure.

FURTHER RESOLVED THAT in the event of any modification or revision in the provisions of remuneration payable to Managing Director, as set out in the Schedule V to the Companies Act, 2013, the Nomination and Remuneration Committee of Directors shall be entitled at their discretion to revise the remuneration payable to Mr. Ravi Kumar D from the date of such modification or revision, without any further reference to the Company in general meeting."

FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year, the Executive Director shall be paid remuneration by way of salary, allowances and perquisites as specified under Section II of Part II of Schedule V to the Companies Act, 2013 or within such ceilings as may be prescribed under Schedule V from time to time or the Companies Act, 2013 and as may be amended or re-enacted from time to time."

FURTHER RESOLVED THAT Mr. Ravi Kumar D will not be paid any sitting fees for attending the meetings of Board of Directors or Committees thereof."

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to take such steps as may be necessary, proper or expedient to give effect to this resolution."

5. Disposal off entire investment held in wholly owned subsidiary Acropetal Inc, USA.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

RESOLVED THAT pursuant to Clause 49 of the equity listing agreement with the stock exchanges on which the equity shares of the Company are listed and further pursuant to the applicable provisions of the Companies Act, 2013 (including any statutory modifications, amendments or re-enactments thereto) and the Rules made thereunder (collectively the "Act") and subject to requisite approvals from all concerned statutory and regulatory authorities and departments, person or persons, if and to the extent necessary, and such other approvals, permissions and sanctions as may be required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall include a Committee thereof authorized for the purpose) for sale or disposal of the entire investment of the Company held in its wholly owned subsidiary Acropetal Inc (USA).

RESOLVED FURTHER THAT Mr. D Ravi Kumar, Chairman and Managing Director of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things including but not limiting to deciding the time when the disposal be done by the Company which holds shares of Acropetal Inc, the manner of disposal, other incidental and ancillary activities thereto, determining such other terms and conditions relevant to the disposal, negotiating and finalizing the terms of sale, negotiating, finalizing and executing share purchase agreement(s), by whatever name called, such other agreements, deeds, documents, indemnities, contracts, declarations, undertakings, forms, letters and such other papers as maybe necessary, desirable and expedient to be agreed, signed and executed, to determine the final consideration / pricing, to make all such filings and applications for the statutory / regulatory and other approvals as may be required in the matter of disposal and to complete the aforesaid transaction, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to the aforesaid resolution, and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Shareholders or otherwise to the end and intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution."

RESOLVED FURTHER THAT all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and / or any of its directors and / or officers and / or

representatives for and in the name of the Company in this regard be and are hereby noted, ratified and approved."

By Order of the Board
For Acropetal Technologies Limited

D Ravi Kumar
Chairman and Managing Director

Date: 16th September, 2015

Place : Bangalore

Registered Office

#74/75, 3rd Cross 1stMain

N S Palya, Bannerghatta Road

Bangalore- 560 076

Corporate Identification Number

L72900KA2001PLC028944

PHONE : 080 4908 4000

FAX : 080 4908 4100

E-mail : corp@acropetal.com

Website : www.acropetal.com

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. Proxies in order to be effective must be received at the company's registered office not less than 48 hours before the meeting. A person shall not act a proxy for more than fifty members and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. A person holding more than 10% (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 proxy for any other person or shareholder. Proxy form for the AGM is attached.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 18th November 2015 to 24th November, 2015 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013 and Clause 16 of the Listing Agreement with the Listing Agreements with the Stock Exchanges.
3. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the company atleast seven working days prior to the meeting, so that the required information can be made available at the meeting, if permitted by the Chairman.
4. Information of Director seeking appointment/re-appointment in the fourteenth AGM pursuant to the provisions of the listing agreement is provided

herewith and forms a part of this Notice.

5. Members are requested to bring their attendance slips duly filled in and signed and their copy of the Annual Report to the Meeting since distribution of the Annual Report at the Annual General Meeting is dispensed with.
6. Members holding shares in physical form are requested to notify immediately any change in their address and other details to the company or its Registrars and Share Transfer Agents and in case their shares are held in dematerialised form, this information should be passed on to their respective Depository Participants without any delay.
7. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business is annexed.
8. Shareholders who have not encashed their dividend so far, for the financial year ended 31 st March, 2011 are requested to make their claim to the registrar and Share Transfer Agents of the Company or the Company at the Registered Office. Shareholders are requested to note that according to the provisions of the Companies Act 2013, dividends not claimed for seven years from the date of transfer to the Company's Unpaid dividend account will be transferred to the Investors Education and Protection Fund.
9. The Ministry of Corporate Affairs has undertaken a Green initiative in Corporate Governance and allowed companies to send documents including Annual Reports to their shareholders through an electronic mode. Members are requested to support this green initiative by registering/ updating their e-mail IDs as follows.
 - a) If you are holding shares in demat form, Register/ update your e-mailID with the depository participant with whom you are maintaining your Demat account.
 - b) If you are holding shares in physical form Register/update your email ID for the purpose of releasing annual report and other communication with the Company or with our Registrar and Transfer Agent i.e., Sharex Dynamic (India) Pvt. Limited.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Income Tax Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participant with whom Demat accounts are maintained. Members holding shares in physical form can submit their PAN details either to the Company or to the Company's Registrar and Transfer Agent i.e. Sharex Dynamic (India) Pvt. Limited.
11. Corporate members are requested to send a duly certified copy of the Board resolution/power of attorney/ authorization letter(s), authorizing their representatives to attend and vote at the meeting.
12. Electronic copy of the Notice of the 14th Annual General Meeting and the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participants (as provided by Depositories i.e. NSDL and CDSL) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the same are being sent in the permitted mode.
13. Members may also note that the Notice of the 14th Annual General Meeting and the Annual Report for the financial period ended on 31.03.2015 will also be available on the Company's website www.acropetal.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Bangalore for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. The request for hard copies of the aforesaid documents can be made either to the Company at the Registered office or to the Registrar and Share Transfer Agents (RTA) or to e mails ir@acropetal.com, sharexindia@vsnl.com. Request can also be made over phone Number 080 4908 4000. For any communication, the shareholders may also contact the Company at: ir@acropetal.com
14. In compliance with the provisions of the Listing Agreement with the Stock Exchanges and the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the Members are provided with the facility to cast their vote electronically, through the e voting services provided by CDSL, on all the resolutions set forth in this Notice.

The Company has appointed Mr. Naman G Joshi, Proprietor of M/S N G Joshi & Co, Practicing Company Secretaries as the Scrutiniser for scrutinizing the e-voting process in a fair and transparent manner. E-Voting is optional. The e voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 17th November, 2015.

The instructions for members for voting electronically are as under:-

 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.

- (iii) Now select the “ACROPETAL TECHNOLOGIES LIMITED” from the drop down menu and click on ‘SUBMIT’
- (iv) Now Enter your User ID
 - a) For CDSL: 16 digit 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.evoting.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. (viii) After entering these details appropriately, click on “SUBMIT” tab

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> <p>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 last 8 digits of the demat account/folio number in the PAN field.</p> <p>In case the folio 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 you name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
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.
Dividend Bank Details**	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</p>

- (ix) Members holding shares in physical form will then reach directly 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. The password has to be minimum eight character of at least one upper case (A-Z), one lower case (a-z), one number value(0-9), and a special character (#*@ etc). 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 the 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.

- (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 ACROPETAL TECHNOLOGIES LIMITED on which you choose to vote. Now you are ready for e-voting as the voting page appears.
- (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 changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) Institutional shareholders (i.e other than individuals, HUF, NRI etc) are required to log on to [HTTPS:// www.evotingindia.co.in](https://www.evotingindia.co.in) and register themselves as corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign

of the entity to helpdesk.evoting@cdslindia.com

After receiving the login details they have to create a user who would be able to link the account(s) 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.

They should upload a scanned copy of the Board Resolution and power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all steps from No. (i) to No.(xviii) above to cast vote.

OTHER INSTRUCTIONS AND INFORMATION

- a) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut – off date 17th November, 2015
- b) The voting period begins at 9.00 AM on 21st November, 2015 and ends at 5.00 PM on 23rd November, 2015. During this period shareholders of the Company holding either in physical form or in dematerialized form, as on the cut-off date(record date) of 17th November, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently.
- c) The e-voting module shall be disabled by CDSL for voting thereafter.
- d) The Company is required to provide to the members the facility to cast their vote by electronic means. The shareholders of the holding shares wither in physical form or in dematerialised form, as on the cut-off date and not casting their vote electronically, may cast their vote at the AGM Venue. Facility will be available at the venue.
- e) The results shall be declared after the AGM of the Company. The results declared along with the scrutiniser's report shall be placed on the company's website www.acropetal.com and on the website of CDSL within two days of passing the resolutions at the AGM of the Company and communicated to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- f) Voting will be provided to the members through

e-voting and or at the AGM venue. A member can opt for only one mode of voting i.e. either through e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through e-voting shall prevail and the voting at the AGM shall be treated as invalid.

- g) 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 e mail to helpdesk.evoting@cdslindia.com

By Order of the Board
For Acropetal Technologies Limited

D Ravi Kumar
Chairman and Managing Director

Date: 16th September, 2015
Place: Bangalore
Registered Office
#74/75, 3rd Cross 1st Main
N S Palya, Bannerghatta Road
Bangalore- 560 076
Corporate Identification Number
L72900KA2001PLC028944
PHONE : 080 4908 4000
FAX : 080 4908 4100
E-mail : corp@acropetal.com
Website : www.acropetal.com

INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT ABOUT THE DIRECTORS BEING APPOINTED/REAPPOINTED AT THE ANNUAL GENERAL MEETING

Particulars	Mr. D Ravi Kumar
Date of Birth	28th May, 1968
Date of Appointment	25th April, 2001
Qualification	Mechanical Engineer Degree
Expertise in specific functional area	More than 20 years of experience in IT industry.
Directorship held in other companies	1. Binary Spectrum Softech private Limited 2. Aishwarya Corpfin Private Limited 3. Kinfect Private Limited 4. Mindriver Information Technologies Private Limited 5. Ecologix Knowledge Solutions Private Limited
Membership/Chairmanship of committees of other companies	Nil
Number of shares held in the Company	1,08,05,300

By Order of the Board
For Acropetal Technologies Limited

D Ravi Kumar
Chairman and Managing Director

Date: 16th September, 2015
Place: Bangalore

Registered Office

#74/75, 3rd Cross 1stMain
N S Palya, Bannerghatta Road
Bangalore- 560 076
Corporate Identification Number
L72900KA2001PLC028944
PHONE : 080 4908 4000
FAX : 080 4908 4100
E-mail : corp@acropetal.com
Website : www.acropetal.com

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business.

Item No 4

Mr. D Ravi Kumar, aged 47 years is the promoter and the Chairman and Managing Director of the Company. He has more than 20 years of experience in IT Industry. He holds Mechanical Engineer Degree from Bangalore University. He was associated with various reputed IT organizations, prior to promoting and establishing Acropetal Technologies Limited in the year 2001.

With his in-depth knowledge and experience with IT companies, he provided leadership, vision and strategic direction to the Company. He was awarded the "Indra Gandhi Sadbhavan Award" in 2007 and "Udyog Ratan Award" by the Institute of Economic Studies, New Delhi in 2009. Also he was awarded the "CEO of Emerging Organization" by the Asia Pacific HRM Congress in September 2010.

Under its able leadership, the Company during the year 2011, successfully made its Initial Public Offer, which is a crucial milestone in the history of any corporate entity. Among others under his leadership the Company made strategic Acquisitions both in India and overseas.

In view of the above and other considerations and also in the best interest of the Company, subject to the approval of the shareholders, the Board of Directors of the Company at their meeting held on 9th November, 2012 re-appointed Mr. D Ravi Kumar the Managing Director of the Company for a period of three years with effect from 15th December, 2012. Subsequently the re-appointment of Mr. D Ravi Kumar was approved at the 12th Annual General Meeting of the Company held on 26th December, 2013. In view of the introduction of the Companies Act, 2013, Rules made thereunder with effect from 1st April 2014 and the clarifications issued by the Ministry of Corporate Affairs, it was again proposed to get the re-appointment of Mr. D Ravi Kumar and the same was approved by the Shareholders at the thirteenth Annual general Meeting.

The Remuneration payable to him has been fixed by the Board as set out in the text of the Resolution, which has also been approved by the Remuneration Committee. The proposed appointment, remuneration and perquisites conform to the requirement of Schedule V to the Companies Act, 2013. Part III of Schedule V to the Companies Act, 2013, requires the appointment and remuneration to be approved by a resolution of the shareholders in general meeting.

This may be treated as the abstract of the term of the contract between the Company and Mr. Ravi Kumar.

Your Directors recommend the Resolution set out in item No.4 for the approval of the members.

No Director or other Key Managerial Personnel (KMP) and no relatives of Directors or KMP are concerned or interested financially or otherwise in this resolution except Mr. D Ravi Kumar.

Statement of information pursuant to Section II of Part II of Schedule V to the Companies Act, 2013.

I. General Information

1. Nature of Industry
Information Technology
2. Date or expected date of commencement of commercial production

The Company was incorporated on 25th April, 2001 and the Certificate of Commencement of Business was obtained on 2nd May, 2001

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable (the Company was incorporate on 25th April, 2001)

4. Financial performance based on given indicators

₹ in crores

Financial Performance	Financial Years		
	2012-13	2013-14	2014-15
Total Income	155.68	118.79	25.10
Total Expenses	145.02	192.65	209.41
Profit Before Tax (Loss)	10.66	(73.86)	(184.31)
Profit After Tax (Loss)	5.13	(74.12)	(178.33)
Earnings Per Share	1.32	(19.06)	(45.86)

5. Export Performance and net foreign exchange collaborations

Export Performance:

Export Sales

₹ in crores

Financial Years	Amount
2012-13	131.62
2013-14	97.43
2014-15	10.75

Net Foreign Exchange

₹ in crores

Financial Years	Amount
2012-13	23.04
2013-14	14.46
2014-15	10.60

6. Foreign Investments or collaborators, if any
Equity Shares of ₹10/- each held on 31st March, 2015 by

1. Foreign Institutional Investors	2,00,000
2. N R Is	13,52,869

II INFORMATION ABOUT THE APPOINTEE

1. Background details

Mr. D Ravi Kumar, aged about 44 years in the promoter and the Chairman and managing Director of the Company. He has more than 20 years experience in IT Industry. He holds Mechanical Engineer Degree from Bangalore University. He was associated with various reputed IT organizations, prior to promoting and establishing Acropetal Technologies Limited in the year 2001.

2. Past Remuneration

The Remuneration paid to Mr. D Ravi Kumar for the last three previous financial years is Rs.50.88 lakhs p.a.

3. Recognitions and Awards

Mr. D Ravi Kumar was awarded the “Indra Gandhi sadbhavan Award” in 2007 and “Udyog Rattan Award” by the Institute of Economic Studies New Delhi 2009. Also he was awarded the “CEO OF Emerging Organization” by Asia pacific HRM Congress in September, 2010.

4. Job Profile and his suitability

Mr. D Ravi Kumar is the Chairman and Managing Director of the Company and the only Executive Director on the Board. He is subject to the control and works under the supervision of the Board of Directors of the Company.

He is promoter director of the Company and is the Chairman and Managing Director of the Company and the only Executive Director on the Board. He is subject to the control and works under the supervision of the Board. He is leading the Company since its inception and has been able to tide over many challenging situations and achieve growth. Under his leadership, the Company was able to be awarded by Inc India 500 as one of the India's fastest growing mid-sized company during the year 2012

5. Remuneration Proposed.

The Remuneration proposed is set out in the Special Resolution proposed to be passed at the Annual General Meeting.

6. Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person.

Compared to Industry Standards, size of the Company profile of Mr. D Ravi Kumar and the position and in view of the responsibilities taken up him the remuneration proposed is reasonable and is also within the limits set out in Schedule V of the Companies Act, 2013.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any.

Mr. D Ravi Kumar has no pecuniary interest with the Company except for the remuneration paid to him as the Chairman and Managing Director, deposits made by him with the Company and for 1,08,05,300 equity shares of Rs.10/- held by him

He is not related to any other managerial personnel of the Company

III) OTHER INFORMATION.

- 1) Reasons for the loss or inadequacy of profits and the steps to be taken for improvement

The cost control measures initiated by the company have helped the company to improve its cash margin. While the gross margin in on the upswing, the company has booked a loss of Rs.18431.48 lakhs for the following reasons.

- i. Rs. 13987.30 lakhs has been written off as bad debts. These debtor receivables are pending for a very long time. The unprecedented attrition witnessed by the company in the previous years has badly affected the continuity of the projects and resulted in writing off this amount.
 - ii. Rs.1123.62 lakhs has been written off as bad advance. This amount was paid as trade advance for development of products. These two major items contributed to the loss.
- 2) Expected increase in productivity and profits in measureable terms

The company has revamped its business activities during the year. The company has been passing through financial difficulties for the past two years due to various factors; major reason being the poor payments from the customers. In this regard, the management has taken some drastic measures to recover the company from further downfall, one among them is to reduce the service business to its customers where the payments are delayed abnormally and where the margins are low. These were the two major areas where the company has burnt heavily. Keeping the prospects for selling its products and solutions in the mind, the company has been continuing its services to these customers. Now, the revenue has drastically come down compared to previous years. Though the drop in the revenue is a matter of concern, it

will improve the cash position in the coming years. But for the bad loans and bad debts written off during the year, the company has improved its gross margin and cash profit substantially over the previous year. Though the market is very conducive to businesses, the company wants to stabilize itself and then go far expansions stage by stage.

Item No 5:

It is now proposed to divest Acropetal Inc., USA, a wholly owned subsidiary, which is considered as a material subsidiary of the Company, which would improve the liquidity position of the Company and help debt reduction

Our US Operations are being done through the wholly owned subsidiary M/s Acropetal Inc. This operations has been making continuous losses since 2011. The reasons for the same is that the business volume of the consulting business has drastically come down and the product business has not taken off due to the employee attrition issues that started from Nov 2012. In this environment the present management of the company has been putting in a lot of effort with the Chairman & Managing Director personally overseeing the US operations since the exit of the CEO Mr. Subbu Iyer in Dec 2013. The operations require inflow of cash on a consistent basis till the stability in business operations is achieved and the parent Company is not in a position to financially support this US business operations. The Parent Company had organised for working capital facility from private financial institutions based out of New York for 3 rounds totaling to USD 700,000. Now servicing this EMI also has become an issue. In this scenario, we are sitting in a situation where the business could all be potentially lost leaving only the debt on the parent company. The Board reviewed the financial position of the US subsidiary and considering the current financial position of the parent has asked the Company to sell the US operations to suitable buyers as early as possible to avoid any repayment defaults in the US side which could lead to even worse situation for the parent company. The Board of Directors of the Company, at its meeting held on 16th September, 2015 decided to identify interested buyers who could take over the entire business along with the loan liabilities in the US books even if it means the consideration is taking over the liabilities (present loan liability outstanding of USD 525,722 to the private financial institution based out of New York) without any additional cash inflows for the parent considering the fact that the operations is loss making.

Clause 49(V)(F) of the Equity Listing Agreement entered into by the Company with the Stock Exchanges on which the equity shares of the Company are listed, provides that no company shall dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or

together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal.

Closing of the Transaction is conditional inter alia upon passing of the Special Resolution by the shareholders of your Company and receipt of all the required approvals. Barring unforeseen circumstances, it is anticipated that the Closing will take place by the end of March 2016.

In view of the aforesaid provisions, you are requested to grant your consent to the special resolution as set out at Agenda Item No.5 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

By Order of the Board
For Acropetal Technologies Limited

D Ravi Kumar
Chairman and Managing Director

Date: 16th September, 2015
Place: Bangalore

Registered Office

#74/75, 3rd Cross 1stMain
N S Palya, Bannerghatta Road
Bangalore- 560 076
Corporate Identification Number
L72900KA2001PLC028944
PHONE : 080 4908 4000
FAX : 080 4908 4100
E-mail : corp@acropetal.com
Website : www.acropetal.com

Letter to the Shareholders

Dear Shareholders,

It is the testing time for the company that the company has been undergoing lots of turmoil during the past few years. It has lost several employees, businesses and reputation amongst the lenders, vendors and clients. Though the company was in the terrible vortex of cyclone, the company could manage to survive because of its inherent strength it has. No need to mention that this strength is reinforced with the confidence you have in the company and the employees who have been with us even the difficult times. Hard times will always reveal true friends and I am happy to have such a wider network of good people which gives immense strength for me to tide over this aberration.

We decided to have 2015, a year of resolution. Accordingly we are in path of resolving the issues and we have sizeably resolved many issues. We hope even the remaining issues will also be resolved in ensuing year. We have re-engineered our business and retained the clients where the profits are move and scope to increase the business with them. This has certainly improved our cash profit during the year with which we could clear some of the statutory dues.

After stabilizing and streamlining the present business activities, the company will eye on increasing the volume of business with the existing clients. These clients knew our capabilities in the good times, they are confident that we would come back again and extend their support. The present Software/ITES market is very conducive particularly in India the opportunities are ample due change in the climate in India. We would like to utilize this opportunity to come back but at the same time we would like to do this in stages stabilizing at each level.

I would like to place on record my heartiest gratitude to our customers, stakeholders, Financial Institutions and more importantly to our employees who have been the backbone of our growth and I hope that the support and confidence will continue as we grow.

Warm Regards,

Ravi Kumar D

Chairman and Managing Director

DIRECTORS' REPORT

To,

The members of Acropetal Technologies Limited.

Your Directors are pleased to present 14th Directors' Report of the Company along with the Audited financial Statements for the year ended 31st March 2015.

₹ in lakhs

Particulars	2015	2014
Total revenue	2510.53	11879.98
Total expenses	20942.01	19266.48
Profit / (loss) before tax	(18431.48)	(7386.50)
Provision for deferred tax	598.08	(26.13)
Net Profit / (loss) carried to Balance Sheet	(17833.40)	(7412.64)

The Company has drastically reduced its export business where the payments are delayed abnormally and where the profit margins are low. During the year the company has made an export turnover of Rs. 1075.07 lakhs. The total revenue of the Company from operations, for the year ended 31st March, 2015 was Rs. 1841.23 lakhs, the total revenue of the previous year was Rs. 10655.32 lakhs. The gain on foreign exchange fluctuations accounts majorly for the difference. The company has written off receivables as bad debts which are pending and the company has initiated legal proceedings to recover the amount. The net loss booked for the year under review is Rs. 18431.48 as compared to Rs. 7386.50 lakhs during the previous year.

Future Outlook

The company is now in the process of streamlining and stabilizing the business activities. The Indian market is very conducive but the Company intends to focus and increase the business stage by stage in the years to come.

Dividend

In view of the loss incurred during the year, your directors are not recommending any dividend for the year ended 31st March, 2015.

Disclosures of amounts, if any, transfer to any reserves

It is not proposed to carry any amount to any reserves from the profits of the Company. Hence, disclosure under Section 134 (3) (j) of the Companies Act, 2013 is not required.

Directors

Pursuant to the provisions of Section 152 of the

Companies Act, 2013 and the Articles of Association of the Company, Mr. Ravi Kumar D is retiring by rotation at the conclusion of the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Dr. Subramanya Reddy and Dr. Madhu Sudhana Reddy M continued to be the Independent Directors in accordance with the provision of Section 149, 150 & 152 of the Companies Act, 2013 and they are not liable to retire by rotation.

Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. K. Gopalakrishnan & Co, Chartered Accounts, #120, Infantry Road, Bangalore 560 001, were appointed as statutory auditors of the Company from the conclusion of the Thirteenth annual general meeting (AGM) of the Company held on September 29, 2014 till the conclusion of the Sixteenth AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

Auditors' Report

The Statutory Auditors in their report and in its annexure have reported inter-alia as follows.

The Statutory auditors have expressed in their Report that the following events cast a doubt on going concern as per para 10 SA 570 'Going Concern'. However, the company is of the view that the issues may have created this doubt in the accounting perspective but in the business perspective these issues have strong and valid reason behind and some of these are due to the strategies adopted by the company. The issues creating the doubt of going concern for the auditors are given below in italics and our views are given thereunder.

- (a) *As referred in Note 7(a) to the Financial Statements, company is facing difficulties in paying the statutory dues such as Service Tax and TDS amount of Rs.3,34,42,351 and Rs.3,72,09,345 on 31.03.2015 out of which Rs.1,72,27,765 and Rs.3,30,82,033 outstanding for more than one year.*

The company's cash flow from operations was better than previous year because of the strategies adopted by the company to recover the company. With the cash flow available, the company could address some of the dues to the extent of Rs. 326.73 lakhs and also continue to pay during the current financial year as well. The collateral securities given to the bank are auctioned by the banks as the facilities availed from them are classified as Non-Performing Assets. The company is planning to address the remaining dues to the government departments from the surplus cash left from the sale of properties after settling the banks' dues. The company has been paying salary and has paid in full to its

existing employees

- (b) *Note 2(c) in the financial statements which indicates that the company has accumulated losses and its net worth has been substantially eroded, the company incurred a net loss during the current year (Rs.178.33 crores) and previous year (Rs.74.12 crores) and, the company's current liabilities (Rs.158.41 crores) exceed its current assets (Rs.10.25 crores) as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis.*

The company has written off some of the debtor receipts which are pending for a very long time and are disputed by the clients. Due to this, the company has been booking losses in the last two years. For this loss, the net worth has been eroded and the current assets have come down drastically and the current liabilities have exceeded the current assets. However, the net worth and the current assets are expected to improve in the coming years.

2. *Out of the unsecured advances given to staff & ex-employees referred in Note 10(d) of the financial statements, there is uncertainty about recover of about Rs. 22,78,206 as there is no recovery during the year and these are outstanding for more than a year.*

The company has advanced this amount to one of its ex-employee for foreign travel. He did not settle the accounts for this advance amount and the company owes his settlement amount. While doing his full and final settlement, the amount will get accounted automatically.

3. *During the year the company has written off Rs.139.87 crores as Bad debts referred in Note 11 of the financial statements of the company which are outstanding for more than a year and the management is not confident of realization from its customers.*

The company has witnessed an unprecedented high employees' attrition in the previous years due to the severe cash flow strain the company was paying. Several employees engaged in the projects left abruptly without proper knowledge transfer. Because of this, we could not continue some of the projects and this has created some gaps which we could not resolve immediately. The customers have not only stopped our payments for these projects but also stopped the payments to the other projects where there are no issues. The company wrote off some of the export debtors

but the company has initiated legal actions against these clients to recover the dues which are rightfully receivable by the company.

4. *The company borrowings outstanding to the tune of Rs. 10,455.51 lakhs (with accrued interest) has been classified as Non-Performance Assets by the financial institutions and has become payable in full.*

This is due to the sequential effect of the cash flow crisis faced by the company during the past three years. But, all the borrowings are properly secured by collateral securities by way of land & buildings. The market value of these properties are much more than the banks' outstanding. The banks have initiated recovery actions by auctioning the properties. The company is hopeful of getting these banks' dues addressed soon.

5. *During the quarter, the parent company has written off Rs. 1123.62 Lakhs paid to its subsidiary for development of product.*

One of the debtor receipts wrote off by the company is from a client in Dubai. The wholly owned subsidiary company in Dubai is also having business relations with this client. The common client to both the parent and subsidiary companies gone insolvent and the receivables from this client could not be recovered by both the companies. This has resulted in a huge loss for both the companies and got into severe cash flow crisis. In this circumstance, it would be highly impossible to continue the development of product by the subsidiary company which was assigned by the parent company. Hence, the amount received from the parent company for developing the product has been written off in the books of subsidiary and the same way in the books of parent company.

6. *During this quarter intangible assets worth of Rs.713.62 lakhs has been transferred to reserves account, since it has served its economic life.*

Net asset value of the computer software (Rs.713.62 lakhs) has been transferred to the Reserves Account as per the Schedule II of the Companies Act, 2013. These software have already served its economic life.

7. *The company declared dividend in FY2011-12, out of the declared amount partial amount has been paid and the balance is still to be paid.*

Due to the financial difficulties, the company could not pay the balance declared dividend amount to its shareholders. Majority of the

outstanding is only to the promoters, friends and relatives. However, this amount will also be paid once the auctioning of the properties get through, which we expect to happen in the current financial year.

Fixed deposits

Your company has not accepted any deposits during the year within the meaning of Section 73 of the Companies Act, 2013 and Rules made thereunder.

Directors' responsibility statement

Pursuant to the provisions under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm:

- i. That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- ii. That they had selected such accounting policies and applied them consistently, and made judgements 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 loss of the Company for that period;
- iii. That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That they had prepared the annual accounts on a going concern basis;
- v. That they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Change in the nature of business

There is no change in the nature of business of the Company during the year.

Material changes and commitment if any affecting the financial position of the company occurred between the end of the financial year to which these financial statements relate and the date of the report

No material changes and commitments affecting the

financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

Secretarial auditor and secretarial audit report

The Board has appointed Mr. Naman G Joshi, Company Secretary in whole time practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2014-15. The report of the Secretarial Auditor is annexed to this report as **Annexure-B**.

The Secretarial Auditor has observed that the Company

1. The Company has not appointed a women director pursuant to section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The company has been undergoing lots of issues, in the present situation bringing any director particularly the women director may not be possible. However, the company is looking for a women director to comply the statutory requirement and hopefully will happen in the coming year. It is not out of place to mention that the company had women director in the past and we will have in future also.

2. The Company has not appointed Chief Financial Officer pursuant to section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The company is struggling on various fronts and bringing a CFO on board would be difficult for twin reasons i) the company is not in a position to pay salary to existing employees and for a high profile the cost would be more and obviously will not be able to meet out until the existing issues are resolved and ii) no one would willing to join the company as CFO considering the issues it presently has. Moreover, the company's business has drastically come down and even during the current year the business is on the down stride. Once the company improves its business, we will hire CFO as per the statutory requirement.

3. The Company has not filed certain forms and returns with the Registrar of Companies.

There has been rapid attrition of employees during the past few years due to the financial crisis. There was not proper handing over of documents by the left employees that has created some gaps in the continuity of the works even in the support functions. Now the past dues are being handled by the external consultants who were subsequently hired to address. The pending forms & returns with Registrar of Companies will be duly complied in the coming months.

4. The Company has not paid Dividend pertaining to financial year 2011-12.

Due to the financial difficulties the company could not pay the balance declared dividend amount to its shareholders. Majority of the outstanding is pertaining to the promoters, friends and relatives. However, this amount will also be paid once the auctioning of the properties get through, which we expect to happen in the current financial year.

5. The Company has not submitted to the Reserve Bank through the designated Authorized Dealer, Annual Performance Report in Part III of Form ODI in respect of Wholly Owned Subsidiary outside India.

There has been rapid attrition of employees during the past few years due to the financial crisis. There was not proper handing over of documents by the left employees that has created some gaps in the continuity of the works even in the support functions. Now the past dues are being handled by the external consultants who were subsequently hired to address. The pending forms & returns with Registrar of Companies will be duly complied in the coming months.

6. The Company has not submitted annual return on Foreign Liabilities and Assets (FLA) as stipulated under A. P. (DIR Series) Circular No.45 dated March 15, 2011.

There has been rapid attrition of employees during the past few years due to the financial crisis. There was not proper handing over of documents by the left employees that has created some gaps in the continuity of the works even in the support functions. Now the past dues are being handled by the external consultants who were subsequently hired to address. The pending forms & returns with Registrar of Companies will be duly complied in the coming months.

7. The Company is not regular in publication of financial results in newspapers as stipulated under Clause 41 of the Listing Agreements.

The company is financial position is very weak at the moment and is not able pay the amount for publication of financial results. However, these results are published in our website.

8. The Company has not paid Annual Listing fees to Bombay Stock Exchange.

Due to the financial difficulties the company could not pay the Annual Listing fees to Bombay Stock Exchange, we will pay this amount as soon as the cash flow position improves.

Extract of annual return

Pursuant to the Section 92(3) of the Companies Act, 2013 extract of the Annual Return is annexed to this report as **Annexure-C**.

Green initiative in corporate governance

The ministry of corporate affairs has undertaken a green initiative in corporate governance and allowed companies to send documents such as annual reports, notice, quarterly results etc to the email ids of the shareholders. We have arranged to send the soft copies of the notices of the 14th AGM and the Annual Report to the email ids of the shareholders made available by Depositories. In case, any of the shareholder would like to receive physical copies of these documents, the same shall be forwarded on request either to the company or to the Registrar M/s. Sharex Dynamics (India) Private Limited.

Management discussion and analysis

The Management Discussion and Analysis Report pursuant to the Corporate Governance Clause of the Listing Agreement is annexed to this report as **Annexure- E**.

Corporate Social Responsibility

A Corporate Social Responsibility Committee (CSR committee) is required to be constituted under the provisions of the Section 135 of the Companies Act, 2013, if the Company fulfil the criteria prescribed under the said section.

The Board of every company covered the criteria prescribed under section 135 of the Companies Act, 2013 shall ensure that the company spends at least two percent of the average net profits of the company made during the three immediately preceding financial years and if the Board fails to spend such amount, it shall in its report to shareholders specify the reasons for not spending the amount.

The Company has constituted a Corporate Social Responsibility Committee. The Company has not incurred any expenditure on Corporate Social Responsibility during 2014-15 as required under Section 135 of the Companies Act 2013. The average net profits of the Company made during the three immediately preceding financial years is negative. Your management is however committed to the CSR initiative and expects to incur CSR expenditure as applicable. Your management wants to ensure that the fund so earmarked reaches out to the needy and is in the process of outlining a program to benefit the needy local populace.

Corporate Governance Report

The Report on corporate governance as stipulated under Clause 49 of the Listing Agreement forms

part of the Annual Report is annexed to this report as **Annexure-F**. The requisite certificate from the Company Secretary in practice confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49 is attached to the Report on corporate governance.

Particulars of remuneration to directors/KMP/employees

There were no employees during the year 2014-15 covered under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as '**Annexure-A**' which forms part of this report.

Number of meetings of the board and Audit Committee

The details of the number of Board and Audit committee meetings of your Company are provided in the Corporate Governance Report which forms an integral part of this report. The intervening gap between the Meetings was in compliance with the Companies Act, 2013.

Declaration by independent directors

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(7) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

i. Details of Conservation of Energy: Your Company's operations consume very low levels of energy. It is pleasure to announce that your Company's technology center has latest technology energy management system based on human occupancy. As the cost of energy consumed by the Company forms a very small portion of the total costs, the impact of changes in energy cost on total costs is insignificant.

ii. Technology absorption, adaption and innovation

The Company continues its endeavour for developing new technologies and for absorption and adaptation of new technologies developed all over the world. The Company's strategic plans are to provide improved offerings to the fast changing market needs, resulting in strong client relationship. Continuous efforts are made to improve service delivery modules, thereby enabling better project

execution, reduction in costs and at the same time guaranteeing enhances business values both for the Company and for its clients. This is through improving our own productivity and quality of services. For this it would also be necessary for the Company to enter into partnerships, alliances and tie ups with global leaders. However availability of required funds at a right time is a challenge, which the Company continues to combat.

The Company as a result is able to provide improved solutions to its customers, which would be relevant and appropriate to their Business needs and at the same time suits their financial feasibility. This in turn will reduce costs to our customers and improve our revenues and returns.

Research and development

The company is always open to innovations and has to make investments in R&D.

The R & D activities of the company have enabled it to innovate new ideas and processes and make offerings at competitive prices, to achieve growth plans.

The company plans to focus its R&D in design thinking and problem solving and in the emerging areas such as Mobility by investment in developing prototype. Cloud Technologies, Big Data Analytics, Social Networking are also proposed to be covered.

However, the R&D in the existing lines of business of the company will also be continued to be focused.

As explained above, the R&D is carried on by the company as part of ongoing business activity and the expenditure thereof is considered as part of operating expenditure and hence cannot be shown separately.

iii. Foreign exchange earnings and outgo

The company had a foreign exchange earnings of Rs.10,60,39,805 and outgo of Rs.Nil during the year.

Listing

The shares of your Company are listed in the BSE & NSE.

Code of conduct

The Company has adopted a uniform Code of Conduct for Directors, Senior Management Personnel and other Executive level officers to ensure proper ethical standards and further ensure due compliance to such established standards.

Subsidiaries

₹ in crores

Particulars	2015	2014
Total revenue	13.19	135.73
Total expenses	46.39	245.90
Profit before tax	(33.20)	(105.96)
Provision for deferred tax	(2.80)	0.25
Net loss carried to Balance Sheet	(30.40)	(106.22)

The subsidiaries of the company are in the same line of business as that of the holding company.

Your company has resolved to utilise the general exemption granted by the Ministry of Corporate Affairs, Government of India vide its General Circular No. 2/2011 dt. 8th February 2011 from attaching the Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report and other related documents of the subsidiary companies and accordingly, the said documents of the subsidiary companies of your company are not attached to the Balance Sheet of your company. However, requirements which your company is required to meet under the said circular, will be complied with. Your company undertakes that the annual accounts and the related detailed information of your company's subsidiary companies will be made available to the shareholders of the company and its subsidiaries, who seek such information at any point of time. The annual accounts of subsidiary companies will also be kept open for inspection by any shareholders at the Registered Office of your company and of the subsidiary companies. The company shall furnish a hard copy of accounts of the subsidiaries to any shareholders on demand. The financial performance of subsidiaries is set out as **Annexure G** to this report.

Statement concerning development and implementation of risk management

The Company has comprehensive risk assessment and minimization procedure which are reviewed by the Board.

The Company identifies risks and control systems to mitigate them are in place. In the opinion of the Board, at present there are no risks which may threaten the existence of the Company.

Related Party Transactions

During the financial year 2014-15, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms' length basis and in accordance with the provisions of the Companies Act, 2013,

Rules issued thereunder and Clause 49 of the Listing Agreement. During the financial year 2014-15, there were no transactions with related parties which qualify as material transactions under the Listing Agreement.

The details of the related party transactions as required under Accounting Standard - 18 are set out in Point 19 of the notes to the standalone financial statements forming part of this Annual Report. The Form AOC-2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as **Annexure D** to this Report.

Particulars of loans, guarantees or investments made under section 186 of the companies act, 2013

Details of loan outstanding

The company has given trade advances to its associate companies M/s. Acropetal, Inc and M/s. Binary Spectrum Softech Private Limited. The loan amount outstanding as of 31st March 2015 against these companies are Rs. 14.47 lakhs and Rs. 476.95 lakhs respectively.

Guarantees

The company has given corporate guarantee to UPS Capital Business Credit for the loan (outstanding amount as of 31st March 2015 – Rs. 4155.39 lakhs) availed by its wholly owned subsidiary M/s. Vision Info Inc.

The company has also provided a corporate guarantee to ICICI Bank for the loan (outstanding amount as of 31st March 2015 is Rs. 267.50 lakhs) availed by its wholly owned subsidiary M/s. Mindriver Information Technologies Private Limited.

Investments

₹ in lakhs

Subsidiaries:		
Vision Info Inc		1.36
AcropetalInc		5622.79
Mindriver Information Technologies Private Limited		950.43
Kinfotech Private Limited		480.00
Associate companies:		
Binary Spectrum Softech Private Limited		420.00

Total investments made by the company as of 31st March 2015 are as follows:

Particulars of contracts or arrangements made with related parties

All the related party transactions are entered on arm's

length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the listing agreement.

The details of the transactions with related parties are provided in the Notes to the financial statements

Adequacy of internal financial controls with reference to financial statements

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

The details of directors or key managerial personnel who were appointed or have resigned during the year

There are no appointments or resignations of directors or Key Managerial Personnel during the year.

Mr. Vijayendra R, Company Secretary of the Company has resigned with effect from 26th June, 2015.

Vigil Mechanism

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report.

The names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year

During the year no company has become or ceased to be a subsidiary or joint venture or associate company of Company.

Reporting Under Sexual Harrassement Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has in place Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Number of complaints of

sexual harassment received in the year is Nil.

Acknowledgements

Your Directors express their gratitude for the support and co-operation extended by Government Authorities, Bankers, Shareholders, Investors, Customers and Vendors.

Your directors place on record their sincere appreciation for the continuous support and sustained efforts put in by the employees of the company at all levels through their hard work, sense of belonging and dedication.

For and on behalf of the Board of Directors,

Ravi Kumar D
Chairman and Managing Director

Date: 16th September, 2015
Place: Bangalore

Annexure - A to Board's Report

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

a. Ratio of remuneration of each Director to the median remuneration of all employees of your company for the financial year 2014-15.

During the year the company has not paid any remuneration to its directors.

b. Details of percentage increase of each Director, CFO & Company Secretary in the financial year 2014-15.

Name	Designation	Remuneration (p.a.)		Increase/ (decrease) in %
		2014-15	2013-14	
Mr. Vijayendra R	Company Secretary	10,37,250	12,38,115	(16.2)

c. Percentage increase/(decrease) in the median remuneration of all employees in the financial year 2014-15.

	Remuneration (p.a.)		Increase/ (decrease) in %
	2014-15	2013-14	
Median remuneration of all employee	1,28,255	1,42,070	(9.7)

d. Number of permanent employees on the rolls of the company as on 31st March 2015

Executives	2
Managers	14
Technical employees	336
Support employees	35
Total	387

e. Explanation on the relationship between average increase in remuneration and Company performance.

	Remuneration (p.a.)		Increase/ (decrease) in %
	2014-15	2013-14	
Average remuneration of all employee	1,76,572	2,09,755	(15.8)

The company has been cutting the cost across wherever possible. In this context, it has reduced the employee cost also by removing the high

cost resources from their rolls. For some of the employees, their remunerations are marginally reduced considering the financial conditions of the company and its efforts to restore it.

f. Comparison of remuneration of the Key Managerial Personnel against the performance of your company.

During the year, the remuneration of Key Managerial Personnel decreased by 16.2% over the previous year. The company has been making losses even at the EBIDTA level, for the FY2014-15 the EBIDTA was Rs. (15179.06 lakhs) compared to Rs. (4914.50 lakhs) in the previous year. One of the measures adopted by the company to recover the company is cutting the costs, thereby the company has reduced remuneration to some of the employees. However, these employees will be suitably compensated in the later date.

g. Details of share price and market capitalization

The details provided below as of March 31,

	2014-15	2013-14	Increase/ (decrease)
Market capitalization (Rupees in crores)	10.69	13.22	(decrease)
Price Earnings Ratio	(0.06)	(0.18)	(decrease)

Comparison of share price at the time of first public offer and market price of the share as of 31st March 2015.

	As of 31-Mar-15	As of 10-Mar-11*	Increase/ (decrease)
Share price	2.75	140.00	(decrease)

* Date of Initial Public Offer

h. Comparison of average percentage increase/ (decrease) in salary of employees other than the key managerial personnel and the percentage increase/ (decrease) in the key managerial remuneration.

	2015	2014	Increase/ (decrease) %
Average salary of all employees other than Key Managerial Personnel	1,76,702	2,09,879	(15.8)
Salary of Key Managerial Personnel	86,438	1,03,176	(16.2)

i. Key parameters for the variable component of remuneration paid to the Directors

During the year the company has not paid any remuneration to its directors. Generally, the Remuneration Committee recommends the

remuneration to be paid to the directors and will be approved by the board if it is within the limits approved by the shareholders in the AGM

j. The ratio of remuneration drawn by the highest paid director to that of the employees who are not directors but receive in excess of the highest paid director during the FY 2014-15.

The company has not paid any remuneration to its directors during the FY2014-15.

k. Affirmation.

Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the directors, key managerial personnel and senior management is as per the Remuneration Policy of the company.

l. Statement containing the particulars of employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i. List of employees of the company employed during FY2014-15 and were paid remuneration not less than Ea. 60 lakhs per annum is Nil

ii. Employees employed for the part of the year and were paid remuneration during the FY2014-15 at a rate which in aggregate was not less than Rs. 5 lakhs per month is nil.

Annexure - B to Board's Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

To,

The Members,

Acropetal Technologies Limited

#74/75, 3rd Cross, 1st Main,

N. S. Palya, Bannerghatta Road,

Bangalore- 560 076

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Acropetal Technologies Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a)The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b)The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c)The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);

(d)The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);

(e)The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g)The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

(h)The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the audit period).
- (ii)The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. **The Company has not appointed a women director pursuant to section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.**
2. **The Company has not appointed Chief Financial Officer pursuant to section 203 of the**

Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- 3. The Company has not filed certain forms and returns with the Registrar of Companies.**
- 4. The Company has not paid Dividend pertaining to financial year 2011-12.**
- 5. The Company has not submitted to the Reserve Bank through the designated Authorized Dealer, Annual Performance Report in Part III of Form ODI in respect of Wholly Owned Subsidiary outside India.**
- 6. The Company has not submitted annual return on Foreign Liabilities and Assets (FLA) as stipulated under A. P. (DIR Series) Circular No.45 dated March 15, 2011.**
- 7. The Company is not regular in publication of financial results in newspapers as stipulated under Clause 41 of the Listing Agreements.**
- 8. The Company has not paid Annual Listing fees to Bombay Stock Exchange.**

the above referred laws, rules, regulations, guidelines, standards, etc.

For N. G. Joshi and Co.,

Naman G. Joshi
Proprietor
ACS No. 26586, C P No.: 9579

Place : Bengaluru
Date : 16th September, 2015

Subject to observations, We further report that

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the company has no specific events / actions having a major bearing on the company's affairs in pursuance of

Annexure - C to Board's Report

EXTRACT OF ANNUAL RETURN
As on financial year ended 31.03.2015
[Pursuant to Section 92(3) of the Companies act, 2013 read with
[The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9

A.REGISTRATION AND OTHER DETAILS:

CIN:-	L72900KA2001PLC028944
Registration Date:	25.04.2001
Name of the Company:	Acropetal Technologies Limited
Category / Sub-Category of the Company	Public Company Limited By Shares
Address of the Registered office and contact details:	#74/75, 3rd Cross, 1st Main, N S Palya, Bannerghatta Road Bangalore - 560076
Whether listed company	Listed Company
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt. Ltd. Unit no.1, Luthra Ind.Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072 Tele: 2851 5606/ 5644/ 6338

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Computer Programming, Consultancy and related Activities	620	100

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held
a.	Mindriver information technologies Private Limited Suit # 512, 4th Floor, Oxford Towers 139 Airport Raod, Kodihalli, Bangalore - 560008, Karnataka, India	U72200KA2003PTC031757	Subsidiary	100
b.	Acropetal Inc. 5005, LBJ FREEWAY, STE 333, DALLAS, TX 75244, USA	-	Subsidiary	100
c.	Vision Info Inc. 204, TOWER A, GULF TOWERS, OUDH MEHTA ROAD, UNITED ARAB EMIRATES	-	Subsidiary	100
d.	Kinfotech private Limited #5, 1st Cross NS palya Bannerghatta Road Bangalore - 560076, Karnataka, India	U72200KA1990PTC010841	Associate	48
e.	Binary Spectrum Softech Private Limited No. 15, 1st Floor, 10th Main, Jeevanbhima Nagar, 3rd Stage HAL Bangalore - 560075, karnataka, India	U30007KA2004PTC033572	Associate	16.8

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

in ₹

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2014				No. of Shares held at the end of the year 31/03/2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1). INDIAN									
(a). individual	18272500	0	18272500	46.985	13647500	0	13647500	35.092	-11.893
(b). Central Govt.									
(c). State Govt(s).	0	0	0		0	0	0		0
(d). Bodies Corpp.	0	0	0		0	0	0		0
(e). FIINS / BANKS.	0	0	0		0	0	0		0
(f). Any Other		0				0			0
Sub-total (A) (1):-	18272500	0	18272500	46.985	13647500	0	13647500	35.092	-11.893
(2). FOREIGN									
(a). Individual NRI / For Ind	0	0	0		0	0	0		0
(b). Other Individual									
(c). Bodies Corporates	0	0	0		0	0	0		0
(d). Banks / FII	0	0	0		0	0	0		0
(e). Qualified Foreign Investor	0	0	0		0	0	0		0
(f). Any Other Specify	0	0	0		0	0	0		0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	18272500	0	18272500	46.985	13647500	0	13647500	35.092	11.89
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	0	0	0		0	0	0		0
(b). Banks / FI	122138	0	122138	0.314	0	0	0		-0.314
(c). Central Govt.									
(d). State Govt.	3000	0	3000	0.008	0	0	0		-0.008
(e). Venture Capital Funds	100	0	100	0	100	0	100	0	0
(f). Insurance Companies	0	0	0		0	0	0		0
(g). FIs	633894	0	633894	1.63	200000	0	200000	0.514	-1.116
(h). Foreign Venture Capital Funds	0	0	0		0	0	0		0
(i). Others (specify)	0	0	0		0	0	0		0
Sub-total (B)(1):-	759132	0	759132	1.952	200100	0	200100	0.514	-1.438

2. Non-Institutions

in ₹

(a). BODIES CORP.									
(i). Indian	2312266	600000	2912266	7.488	2293086	600000	2893086	7.439	-0.049
(ii). Overseas									
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	9484631	23	9484654	24.388	10907619	23	10907642	28.047	3.659
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	5828192	373031	6201223	15.945	9268927	373031	9641958	24.793	8.848
(c). Other (specify)									
Non Resident Indians	886932	0	886932	2.281	1352869	0	1352869	3.479	1.198
Overseas Corporate Bodies	0	0	0		0	0	0		0
Foreign Nationals		0				0			0
Clearing Members	373651	0	373651	0.961	247203	0	247203	0.636	-0.325
Trusts		0				0			0
Foreign Boodies - D R		0				0			0
Sub-total (B)(2):-	18885672	973054	19858726	51.063	24069704	973054	25042758	64.394	13.331
Total Public Shareholding (B)=(B)(1)+ (B)(2)	19644804	973054	20617858	53.015	24269804	973054	25242858	64.908	-11.89
C. Shares held by Custodian for GDRs & ADRs									0.00
Grand Total (A+B+C)	37917304	973054	38890358	100.00	37917304	973054	38890358	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Share holding at the end of the Year 31/03/2015			% change in share holding during theyear
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	RAVI KUMARS (HUF)	150000	0.386	0	150000	0.386	0	
2	RAVI KUMAR D	2500	0.006	0	2500	0.006	0	
3	RAVI KUMAR	13627800	35.042	14.464	10802800	27.778	7.2	-7.264
4	MALINI REDDY T	3412200	8.774	6.428	1612200	4.146	1.8	-4.628

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

in ₹

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Share holding at the end of the Year 31/03/2015			% of total Shares of the company]
		No. of Shares at the beginning (01-04-2013) / end of the year (31-03-2015)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	
1	RAVI KUMAR	13627800	35.042	01-04-2014				
				04-04-2014	-150000	Transfer	13477800	34.656
				11-04-2014	-200000	Transfer	13277800	34.142
				25-04-2014	-200000	Transfer	13077800	33.627
				09-05-2014	-400000	Transfer	12677800	32.599
				23-05-2014	-700000	Transfer	11977800	30.799
				06-06-2014	-200000	Transfer	11777800	30.285
				13-06-2014	-300000	Transfer	11477800	29.513
				20-06-2014	-200000	Transfer	11277800	28.999
				30-06-2014	-300000	Transfer	10977800	28.228
				18-07-2014	-175000	Transfer	10802800	27.778
	-Closing Balance			31-03-2015			10802800	27.778
2	MALINI REDDY T	3412200	8.774	01-04-2014				
				18-04-2014	-100000	Transfer	3312200	8.517
				25-04-2014	-30000	Transfer	3282200	8.44
				16-05-2014	-350000	Transfer	2932200	7.54
				23-05-2014	-25000	Transfer	2907200	7.475
				05-12-2014	-1295000	Transfer	1612200	4.146
	-Closing Balance			31-03-2015			1612200	4.146

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

in ₹

Sl. No.	Name	No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	EQUASTONE PROPERTIES PVT LTD	600000	1.543	01-04-2014				
				17-10-2014	600000	Transfer	1200000	3.086
				31-10-2014	-600000	Transfer	600000	1.543
	-Closing Balance			31-03-2015			600000	1.543
2	KEKI JIVANJI VAKIL	64730	0.166	06-02-2015				
	-Closing Balance			31-03-2015			64730	0.166
3	KEKI JIVANJI VAKIL	135870	0.349	06-02-2015				
	-Closing Balance			31-03-2015			135870	0.349
4	HOSHANG KEKI VAKIL	205000	0.527	01-04-2014				
				15-08-2014	95000	Transfer	300000	0.771
				05-12-2014	69005	Transfer	369005	0.949
				12-12-2014	130989	Transfer	499994	1.286
				31-12-2014	50006	Transfer	550000	1.414
				09-01-2015	25267	Transfer	575267	1.479
				16-01-2015	24733	Transfer	600000	1.543
				23-01-2015	50000	Transfer	650000	1.671
				06-03-2015	7459	Transfer	657459	1.691
				13-03-2015	42541	Transfer	700000	1.8
	-Closing Balance			31-03-2015			700000	1.8
5	HOSHANG KEKI VAKIL	100000	0.257	01-04-2014				
				09-05-2014	100000	Transfer	200000	0.514
				30-05-2014	10000	Transfer	210000	0.54
				15-08-2014	90000	Transfer	300000	0.771
				05-12-2014	189449	Transfer	489449	1.259
				12-12-2014	10549	Transfer	499998	1.286
				31-12-2014	50002	Transfer	550000	1.414
				09-01-2015	50000	Transfer	600000	1.543
				16-01-2015	50000	Transfer	650000	1.671
				06-03-2015	28580	Transfer	678580	1.745
				13-03-2015	21420	Transfer	700000	1.8
	-Closing Balance			31-03-2015			700000	1.8
6	EVEREST GROW MORE FINANCE PRIVATE L	600000	1.543	01-04-2014				
	-Closing Balance			31-03-2015			600000	1.543

7	ORANGE MAURITIUS INVESTMENTS LIMITED	200000	0.514	01-04-2014				
	-Closing Balance			31-03-2015			200000	0.514
8	NARAYANAN V	3500	0.009	01-04-2014				
				30-06-2014	49950	Transfer	53450	0.137
				11-07-2014	35413	Transfer	88863	0.228
				18-07-2014	28948	Transfer	117811	0.303
				25-07-2014	18189	Transfer	136000	0.35
				31-12-2014	12885	Transfer	148885	0.383
				02-01-2015	24	Transfer	148909	0.383
				09-01-2015	39	Transfer	148948	0.383
				16-01-2015	152	Transfer	149100	0.383
	-Closing Balance			31-03-2015			149100	0.383
9	NARENDRA PURUSHOTTAM HIRANANDANI	183772	0.473	01-04-2014				
				30-06-2014	-10000	Transfer	173772	0.447
	-Closing Balance			31-03-2015			173772	0.447
10	YAJNESHWARA RAO	53027	0.136	01-04-2014				
				02-05-2014	99616	Transfer	152643	0.392
				09-05-2014	20000	Transfer	172643	0.444
				23-05-2014	6000	Transfer	178643	0.459
				25-07-2014	5000	Transfer	183643	0.472
				01-08-2014	2000	Transfer	185643	0.477
				08-08-2014	26067	Transfer	211710	0.544
				22-08-2014	13000	Transfer	224710	0.578
				09-01-2015	50000	Transfer	274710	0.706
	-Closing Balance			31-03-2015			274710	0.706
11	MICHAEL DSOUZA	138870	0.357	01-04-2014				
	-Closing Balance			31-03-2015			138870	0.357
12	HEMA NARAYANAN	3560	0.009	01-04-2014				
				20-06-2014	1150	Transfer	4710	0.012
				30-06-2014	37000	Transfer	41710	0.107
				11-07-2014	58868	Transfer	100578	0.259
				18-07-2014	41292	Transfer	141870	0.365
				25-07-2014	20130	Transfer	162000	0.417
				19-12-2014	20866	Transfer	182866	0.47
				31-12-2014	10968	Transfer	193834	0.498
				02-01-2015	12605	Transfer	206439	0.531
				30-01-2015	200	Transfer	206639	0.531
	-Closing Balance			31-03-2015			206639	0.531

(v) Shareholding of Directors and Key Managerial Personnel:

in ₹

Sl. No	Name of Directors and key Managerial Personnel	Shareholding at the beginning of the year 01/04/2014			Share holding at the end of the Year 31/03/2015			
		No. of Shares at the beginning (01-04-2013) / end of the year (31-03-2015)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company]
1	RAVI KUMAR	13627800	35.042	01-04-2014				
				04-04-2014	-150000	Transfer	13477800	34.656
				11-04-2014	-200000	Transfer	13277800	34.142
				25-04-2014	-200000	Transfer	13077800	33.627
				09-05-2014	-400000	Transfer	12677800	32.599
				23-05-2014	-700000	Transfer	11977800	30.799
				06-06-2014	-200000	Transfer	11777800	30.285
				13-06-2014	-300000	Transfer	11477800	29.513
				20-06-2014	-200000	Transfer	11277800	28.999
				30-06-2014	-300000	Transfer	10977800	28.228
				18-07-2014	-175000	Transfer	10802800	27.778
	-Closing Balance			31-03-2015			10802800	27.778

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	61,46,81,879	60,00,000	--	62,06,81,879
ii) Interest due but not paid	18,88,93,767	5,64,744	--	18,94,58,511
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	803575646	6,564,744.000		81,01,40,390
Change in Indebtedness during the financial year				
• Addition	--	--	--	--
• Reduction	--	--	--	--
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	61,46,81,879	12,65,26,938	--	74,12,08,817.00
ii) Interest due but not paid	11,39,88,707	8,95,931	--	11,48,84,638.00
iii) Interest accrued but not				
Total (i+ii+iii)	72,86,70,586	12,74,22,869	--	85,60,93,455

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

in ₹

Sl.no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

B. Remuneration to other directors:

Sl.no.	Particulars of Remuneration	Name of Directors Manager	Total Amount
	1. Independent Directors	-	-
	•Fee for attending board / committee meetings	-	-
	• Commission	-	-
	• Others, please specify	-	-
	Total (1)	-	-
	2. Other Non-Executive Directors	-	-
	•Fee for attending board / committee meetings	-	-
	• Commission	-	-
	• Others, please specify	-	-
	Total (2)	-	-
	Total (B)=(1+2)	-	-
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
in ₹

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		CFO	Company Secretary	CEO	Total	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,037,256	-	1037256	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify&	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total	-	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description		Details of Penalty / Punishment/ Compounding fees imposed		Authority [RD / NCLT/ COURT]		Authority [RD / NCLT/ COURT]	
Penalty	-	-	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT									
Penalty	-	-	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-	-	-

Annexure - D to Board's Report**FORM NO. AOC -2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed	
i)	Amount paid as advances, if any	
j)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

Annexure - E to Board's Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Economic overview

Driven by an improvement in the global economic climate and rise in the technology spend, in FY2015, NASSCOM expects the industry to add overall revenues of USD 13-14 Billion to existing industry revenues of USD 118 billion. Export revenues for FY2015 is projected to grow by 13-15% to reach USD 97-99 bn. Domestic revenues for the same period will grow at a rate of 9- 12% percent and is expected to reach INR 1250 - 1280 billion during this year. Indian IT-BPM continues to remain the highest impact sector for India among all industries with the highest relative share in India's GDP and exports among all services industries. The Indian IT sector will leverage collaboration, innovation, technology shifts and build a transformational agenda for India. It will create a market not only in India but globally that will serve as technology differentiator for customers shifting from cost to innovation.

2. Industry structure and development

Your Company continues to be in the domain of Information Technology and Information Technology Enabled Services (IT and ITeS).

There has been drastic change in the way the business corporations operate and they are in the process of transformation. A few important factors among others behind this force are change in consumer preferences, rapid technological innovations, intense competition and globalization. The business is now more concentrating on optimum utilization of their assets and thereby increase profitability.

Technology has gained much importance in the changed business scenario and the capacity to develop and maintain advanced technological business solutions for the clients is the need of the hour and is also very advantageous in competition. This has increased the need for highly skilled professionals. At the same time business corporations are generally reluctant to invest in their own IT infrastructure and professionals. As a result reliance on outsourcing service providers has increased. The outsourcing service providers are expected to play an important role in the growth of Information Technology sector which has huge potential.

Offshore services has also increased in importance as corporations world over perceive that they are cost effective and can deliver high quality Technology Solutions. They are today one of the critical factors for the operations of many corporations. Specialized systems or a solution

which are unique to the requirement of the client is expected from offshore service providers.

India is one the major offshore service provider and the growth in this sector is continuous with huge potential.

3. Opportunities and threats

India has now emerged as a leader in global sourcing. Even domestically, the Indian IT-BPM industry has grown in importance. It is the largest private sector employer with over 3.1 million employees.

The Indian IT-BPL industry can now provide technology for it's clients all facets of the business and is perhaps the only country to provide complete technology. This has increased clients satisfaction and their return on investment also.

Surge in IT Investment is expected world over in the near future. India with the potential to develop technology in the key areas of Health Care, Education and Public Services, has good potential for growth.

Also Mobility, Analytics, Cloud and Social Media are the upcoming areas which has huge potential for growth. Digital technology is growing in importance and is given priority by all the enterprises across the world. It is changing the way in which business is operated and its interaction with the customers. This technology has huge potential and will be trend in the future.

Your Company continues to plan to position itself well to explore and capitalize these opportunities.

Unstable economic and business environment in Europe and US, regulatory changes in India, especially the tax laws, employee attrition, delay and non-performance of contractual obligations with our clients, non- availability of funds, competition from specialized big players with huge Investment and other resources backups are the few threats to our business and its growth. Mergers, Amalgamations, Takeovers etc taking place in the IT Sector also expose us to threats.

4. Segment wise performance

The details of segment wise performance are provided under Notes to Accounts.

5. Outlook

The global economy has shown signs of improvement since the second half of the year 2014-15 and is expected to be strengthened during the year 2015-16.

The global economy has it's impact on the Indian

economy. However, Economic Environment has been changing with structural changes. Investment and capital inflow are expected to rise. But the challenges are low industrial and export growth and inflation. In spite of these concerns Indian Economy will be one of the fastest growing economies in the world.

Your company is well set to take advantage of this opportunity by working towards enhancing its existing capabilities, developing new capabilities and expanding its focus to new services, technologies, verticals and geographies. But the financial constraints faced by the Company had its impact on the ability of the Company to explore the available opportunities.

6. Risks and concerns.

The Company operates in the domain of IT and ITes, where both income and expenses vary significantly over a period and they cannot be ascertained in advance. This will vary our income and margins. Some of the other risks to which the Company is exposed to and which are common for all the Companies in the Industry are reduction in the IT budget allocation, concentration of customers, political risks (as the Company operates across many countries), investment risks, legal risks, tax related risks .

The Company is also exposed to IT Security Risks, Market Risks, Financial Reporting Risks, Exchange Risks, contractual compliance risks, legal compliances risks, immigration policies of the nations where we operate etc.

The contracts with most of our clients are not for a fixed period of time and are on one time basis with option to continue. By this the clients contract may be terminated without reasons or notice, which will have an effect on our income and margins. The Company requires professional with high technological skills. Loss of critical talent and inability to attract required number of these professionals with critical skills, who are in demand are the other risks to which the Company is exposed.

The company is closely monitoring both the risks which are common to all the players in industry and those which are particular to the Company and has in place systems and checks to mitigate them. These systems and checks are reviewed periodically to bring them at par with Industry levels.

7. Internal control system and their adequacy.

The Internal Control System of Company is aligned to the business operations of the Company and is commensurate with its size and business operations. These systems provide required

financial and operational information that ensure smooth functioning of the business operations of the Company, ensuring compliance with statute and business policies of the Company.

The Company has a well defined system of delegation of power which facilitate the process of decision making and avoid bottlenecks in the administration. The control systems also ensure that all the assets of the Company are safeguarded and that all the transactions are authorized, recorded and reported fully and correctly.

These systems are reviewed periodically to address changes necessitated by changes in Regulations and business environment. The audit committee and the Internal Audit system play a vital role in the Internal Control System of the Company.

8. Discussion on the financial performance with reference to operational performance

RESULTS OF OPERATION:

The item-wise classification of statement of profit & loss account at the standalone basis is as under:

₹ in lakhs

Particulars	For the year ended March 31			
	2015		2014	
	Amount	%	Amount	%
Income from operations				
From software services/ products/solutions	1841.23	100.0	10655.32	100.0
Direct costs	1589.37	86.3	6587.46	61.8
Gross Profit	251.86	13.7	4067.86	38.2
Selling & marketing and general administration expenses	15430.92	838.1	8982.36	84.3
Operating Profit/(Loss) (EBITDA)	(15179.06)	-824.4	(4914.50)	-46.1
Interest expenses	1388.42	75.4	1379.62	12.9
Depreciation and Amortization expenses	3101.32	168.4	2745.92	25.8
Add: Other Income	669.30	36.4	1224.66	11.5
Profit(Loss) before Exceptional items and Taxes	(18999.49)	-1031.9	(7815.37)	-73.3
Prior period adjustment	568.01	30.9	428.87	4.0
Profit(Loss) before taxes (PBT)	(18431.48)	-1001.0	(7386.50)	-69.3
Less: Taxes	598.08	32.5	(26.13)	-0.3
Profit (Loss) after Taxes (PAT)	(17833.40)	-968.6	(7412.64)	-69.6

Income from operations

During the last year, the company has initiated certain drastic steps for revival of the company. The company has drastically reduced its exposure to export business particularly on the consulting services side where the payments are delayed and the margins are low. The company also cut its cost steeply and thereby improved its cash profit by 30% over the previous year. These initiatives have also improved its cash flow and dramatically improved its debtors' days. The company continues to re-engineer its business model; the full effect of these efforts will be seen in the coming years. Our revenue from operations for the period ended March 31, 2015 continued to be more from export business, which is about 58.4% but reduced drastically from its earlier levels of more than 90%.

The revenue for the year stood at Rs. 1841.23 lakhs as compared to Rs. 10655.32 lakhs during the previous financial year. Our revenues are largely from time and material contracts. Revenue from time and material contracts are recognized as the related services that are rendered. There are no revenues from the fixed cost contracts which are recognized proportionate to completion of the contract. The revenue from domestic operations is from professional services. These revenues are recognized as and when the sale or services are rendered.

The segment of revenue by geographic location is as follows:

Geography segment	Numbers in %	
	2015	2014
USA	3.29	53.5
Middle East	40.78	29.8
APAC	17.05	8.1
Europe	38.88	8.6

Details of operating revenue by business segment are as follows:

Business segment	Numbers in %	
	2015	2014
Software services	59.22	87.3
IT enabled services	40.78	12.0
Software products & solutions	-	0.7

₹ in lakhs

Particulars	For the year ended March 31			
	2015		2014	
	Amount	%	Amount	%
Cost of materials	0	0.0	72.21	1.1
Salaries and wages	1435.15	90.3	2020.07	30.7
Project expenses	42.19	2.7	4448.82	67.5
Employee benefit expenses	112.02	7.0	46.36	0.7

% on the total direct cost

The total direct cost for the year is registered at Rs.1589.37 lakhs as against the previous year figure of Rs.6587.46 lakhs.

Gross profit

During the year, the gross profit of the company was Rs.251.86 lakhs representing 13.7% compared to Rs.4067.86 lakhs representing 38.2% in the previous year. It might appear that the percentage of gross profit has reduced from the previous year, the reason for this is, the contracts in India are time and material while the salary paid to the employees are fixed in nature whereas in the export businesses both billing and salary are done based on the hours worked. And there is a drastic reduction in export revenue over the previous year. Due to these factors, the anomaly in the gross margins appears.

Selling & marketing and General administration expenses

The company has reduced its selling and administrative expenses by 18.6%. During the year, the company has further written off Rs. 13987.30 lakhs (PY 6460.49 lakhs) as bad debts. The unprecedented attrition witnessed by the company in the previous years has resulted in incompleteness of the projects. Despite the efforts put in by the company to resolve the disputes and realize the amount went in vain and the company has to finally write off this amount. The company has also written off Rs. 1123.62 lakhs (PY 1993.63 lakhs) as bad advance which were paid as trade advance in the earlier years for development of products are considered as bad loan. The company is pursuing the matter legally to recover the amount. During the previous year, the company has booked losses of Rs. 25.50 lakhs and Rs. 123.31 lakhs towards loss on sale of shares and loss on sale of assets respectively. Due to these, the indirect cost has sharply increased to Rs. 15430.92 lakhs from Rs. 8982.36 lakhs registered in the previous year.

Operating profit / (loss)

Due to the bad debts and bad loans booked during the year, the company has registered a loss of Rs. 15179.06 lakhs as operating loss of the company compared to Rs. 4914.50 lakhs during the previous year.

Interest

During the year, the company has booked a sum of Rs. 1388.42 lakhs towards interest on the borrowings as against the previous year figure of Rs. 1379.62 lakhs.

Depreciation

During the year, the company has worked out the depreciation as per Schedule II of the Companies Act, 2013. Accordingly a sum of Rs.2,101.47 lakhs has been booked as depreciation (PY Rs.1,983.23 lakhs) and a sum of Rs.7,13,61,896 has been transferred to General Reserve, after retaining the residual value of the assets, whose useful life is nil. towards depreciation provided as per the Companies Act, 2013. The company has amortized its intangible assets by Rs.999.85 lakhs (PY Rs. 762.68 lakhs).

Other income

Other income is predominantly on account of gain from fluctuation of foreign currencies. During the year the company has registered Rs.667.17 lakhs (PY Rs.1,177.89 lakhs) on this account out of the total other income of Rs. 669.30 lakhs (PY Rs.1,224.66 lakhs). Details of the other income are given below:

₹ in lakhs

Particulars	2015	2014
Interest on deposits	0.00	42.95
Gain due to forex fluctuations	667.17	1177.89
Miscellaneous income	2.13	3.83

The excess tax provision made in the previous years have been reversed and treated as prior period adjustments in the current year and booked Rs.568.01 lakhs during the year (PY Rs.428.87 lakhs).

Provision for taxes

The company has claimed tax benefits under STP scheme upto the year ended March 31, 2011. Since the tax benefits was withdrawn for STP units, the profits of the company including the export profit were subject to full tax as per Indian Income Tax Act, 1961 at the applicable tax rate i.e. 32.445% for the year ended March 31, 2015. The company has booked a loss during the year and hence has not made any provision for tax during the year except providing for deferred tax at Rs. 598.08 lakhs. Provision made

during the previous year including deferred tax was Rs. 26.13 lakhs. The increase is due to the impact of the depreciation provided as per Schedule II of the Companies Act, 2013.

Net profit

The net loss for the year ended March 31, 2015 is Rs. 17833.40 lakhs (PY Rs. 7412.64 lakhs). The significant increase in the net loss is due to the reasons explained above.

SOURCES OF FUNDS

Share capital

The company is having equity shares of par value Rs10/- each. Our authorized share capital is Rs4,000.00 lakhs divided into 400 lakhs of equity shares. The issued, subscribed and fully paid shares for the current and previous years stood at Rs3,889.03 lakhs.

Reserves and surplus

Share premium

The Company is having a share premium amount of Rs. 15800.27 lakhs and is towards the premium received on issue of 1,88,90,358 equity shares during the Initial Public Offer issued in Feb ' 2011.

Reserves & Surplus

In view of the loss incurred by the Company during the year, transfer to general reserve has not been done.

The reserves & surplus as at March 31, 2015 is (Rs.1594.77) lakhs (PY Rs.17,483.21 lakhs).

Borrowings from Banks/Financial Institutions

Secured loans

The long term borrowings of the company from the financial institutions stood at Rs. Nil lakhs as at March 31, 2015 compared to previous year amount of Rs.3,429.93 lakhs. The loan amount at the previous year end became payable on demand during the year.

The short term borrowings of the company as at March 31, 2015 is Rs. 10455.52 lakhs (PY Rs.4,671.48 lakhs).

The company discounted certain export bills in the past, the unrealized bills amounting to Rs.992.18 lakhs have also become payable on demand.

Unsecured loans

The company discounted certain invoices in the past, the unrealized bills amounting to Rs. 213.09 lakhs have become payable on demand.

Trade payables

Trade payables as at March 31, 2015 are Nil compared to Rs.3400.97 lakhs as at March 31, 2014. The company could not meet up its commitment to its vendors as there has been delay in the debtors receivables.

Other current liabilities and provisions

As at March 31, 2015 the other current liabilities stood at Rs.4984.88lakhs (PY Rs. 6079.03lakhs). Major items contributing to this amount are statutory payments of Rs. 996.33 lakhs; expenses Rs. 1107.30 lakhs; Advance from others Rs.2151.90 lakhs and Rs.405.03 lakhs on account of dividend payable.

APPLICATION OF FUNDS

Fixed assets

During the year, there is an addition of Rs. 53,500 in the office equipment. After providing the depreciation and amortization for the year, the written down value of the fixed assets as at March 31, 2014 is Rs. 7837.58 lakhs (PY Rs. 11651.98 lakhs).

Long term loans & advances

An amount of Rs. 1518.59lakhs is the balance outstanding in Long term loans & advances as at March 31, 2015 as against Rs.2643.05 lakhs in the previous year. Long term loans & advances comprise of the following:

₹ in lakhs		
Particulars	2015	2014
Security deposits	44.64	55.02
Employee advances	28.78	25.67
MAT credit	944.26	944.26
Project advances	9.50	19.02
Subsidiary advances	491.42	1599.07

Trade receivables

Trade receivables stood at Rs.702.22 lakhs as at March 31, 2015 compared to the previous year of Rs.16164.50 lakhs. Due to unprecedented high attrition rate witnessed by the company in the previous years has severely affected the continuity of the projects and thereby the company could not realize the receivables from some of its customers. Hence the company has booked Rs. 13987.30 lakhs as bad debts.

Cash and cash equivalents

The bank balances in India include both rupee accounts and foreign currency accounts. The bank balances in overseas is to meet the project related expenditures of our wholly owned subsidiaries outside India. Cash and cash equivalents comprise of cash on hand; bank balances in rupee accounts, foreign currency accounts; deposit accounts and margin money. Details

of cash & cash equivalents are as under:

₹ in lakhs		
Particulars	2015	2014
Cash on hand	0.74	1.49
Bank balance in rupee accounts	25.26	9.74
Bank balance in foreign currency accounts	0.00	29.16
Deposit accounts	0.00	0.92
Unpaid dividend accounts	7.00	7.00

Other current assets

Other current assets as at March 31, 2015 stood at Rs. Nil lakhs compared to previous year figure of Rs. 1203.40 lakhs which is primarily the unbilled revenue.

9. Material Development In Human Resources

The Company has recognized the importance of Human Capital in achieving its business plans. The Company aims at offering a fulfilling career to its employees and a robust Human capital management system is adopted by the Company which ensures that best talent required by the Company is attracted, hired and retained.

The number of employees as on 31st March, 2015 was 387.

For and on behalf of the Board of Directors,

Ravi Kumar D
Chairman and Managing Director

Date: 16th September, 2015
Place: Bangalore

Registered Office
#74/75, 3rd Cross 1st Main
N S Palya, Bannerghatta Road
Bangalore- 560 076
Corporate Identification Number
L72900KA2001PLC028944
PHONE : 080 4908 4000
FAX : 080 4908 4100
E-mail : corp@acropetal.com
Website : www.acropetal.com

Annexure - F to Board's Report

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on code of Corporate Governance

The Company's philosophy on Corporate Governance is committed towards transparency, integrity, professionalism and accountability. It is based on the concept that good governance practices will ensure efficient and prudent conduct of the affairs of the company. The company strives to increase the Corporate Governance practices to meet the expectations of all the stakeholders. This will also help in achieving its goal of wealth maximization.

2. Composition of Board of Directors

In Acropetal Technologies Limited, the composition of the Board of Directors meets the requirements of Corporate Governance Code prescribed in the Listing Agreement, as also the requirements of Section 149 of the Companies Act, 2013 relating to Independent Directors. As on March 31st, 2015, the Company have 3 (Three) Directors including an Executive Chairman. Mr. Ravi Kumar D is the Chairman and Managing Director and a Promoter Director. The remaining two directors are Independent and Non-Executive Directors.

The composition and category of directors as of March 31st, 2015 with the number of Directorships and Committee memberships held by them in domestic public companies as on the same date along with the attendance of the directors are given below:

Name of Director	Category	Attendance		Other Directorships/ Committee Memberships/ Chairmanships		
		No. of meetings attended out of 4 (Four) Board meetings	Last AGM attended (Yes/No)	Directorship in other Companies *	Committee Memberships **	Committee Chairmanships **
Mr. Ravi Kumar D (Chairman and Managing Director)	Promoter and Executive	4	Yes	--	2	--
Dr. D K Subrahmanya Reddy	Non Executive & Independent	4	No	--	2	2
Dr. M Madhu Sudhana Reddy	Non Executive & Independent	4	No	--	2	--
Mr. Mohan H. Ramakrishna #	Non Executive & Independent	1	No	--	--	--

Resigned with effect from 14th May, 2014

* Excludes Directorships held in private limited companies, foreign companies, membership of management committees of various chambers/

bodies/Section 25 Companies, if any.
** Includes only Audit and Shareholders' Grievance Committees.

None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 committees across all the companies in which he is a Director.

The Directors of the Company are not related to each other.

Board meetings

During the financial year 2014-15, 4 (Four) Board Meetings were held viz. on 24th April, 2014, 14th August, 2014, 3rd November, 2014 and 5th February, 2015.

3. Audit committee

The scope of activities and terms of reference of the Audit Committee is governed by a Charter which is in line with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The role of the Audit Committee, inter alia, includes the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Reviewing with the management the quarterly, half-yearly, nine-monthly and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Section 134(3)(c) of the Companies Act, 2013;
 - b. Changes in the accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
 - c. Compliance with listing and other legal requirements relating to financial statements;

- d. Disclosure of any Related Party Transactions (RPTs); and
- e. Qualifications in the draft audit report, if any.
5. Reviewing the financial statements of unlisted subsidiary companies (including joint ventures) and investments made by the unlisted subsidiary companies (including joint ventures);
6. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:
 - a. qualifications and experience of the individual/ firm proposed to be considered for appointment as auditor;
 - b. whether such qualifications and experience are commensurate with the size and requirements of the company; and
 - c. giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
7. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;
8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as postaudit discussion to ascertain any area of concern;
9. Reviewing and approving quarterly and yearly management representation letters to the statutory auditor;
10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor of the Company;
14. Formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
15. Evaluating the internal financial controls and risk management policies/system of the Company;
16. Discussion with the internal auditors on internal audit reports relating to internal control weaknesses and any other significant findings and follow-up thereon;
17. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
18. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the company by its officers/employees;
19. Approval or subsequent modification of transactions of the Company with related parties including appointment and revision in remuneration of related parties to an office or place of profit in the Company, its subsidiary company or associate company;
20. Reviewing the statements of significant related party transactions submitted by the management;
21. Reviewing and Scrutinizing the inter-corporate loans and investments;
22. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy. Overseeing the functioning of the same;
23. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
24. Approving the auditors (appointed under the Companies Act, 2013) to render any service other than consulting and specialized services;
25. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
26. Review the cost audit report submitted by the cost auditor on audit of cost records before submission to the Board for approval;
27. Appointing registered valuers and defining the terms and conditions for conducting the valuation of assets/net-worth/ liabilities of the Company. Reviewing the valuation report and follow-up thereon;
28. Reviewing with the management, the statement of uses/ application of funds raised through an

issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

29. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
30. Review and approve policy formulated for determination of material subsidiaries;
31. Review and approve policy on materiality of related party transactions and also dealing with related party transactions; and
32. Any other matter referred to by the Board of Directors.

The Composition of the Audit Committee as on 31st March, 2015 and the attendance during the year 2014-2015 are as follows

Name of Director	No. of Meetings attended Out of (4) meetings
Dr. Subramanya Reddy D K	4
Dr. M Madhu Sudhana Reddy	4
Mr. Ravi Kumar D	4
Mr. Mohan Hosahalli Ramakrishna #	1

Resigned with effect from 14th May, 2014

During the financial year 2014-15, 4 (four) Audit Committee Meetings have been held viz. on 24th April, 2014, 14th August, 2014, 3rd November, 2014 and 5th February, 2015. The Company Secretary acted as the Secretary of the Audit Committee.

Consequent to the resignation of Mr. Mohan Hosahalli Ramakrishna, the Audit Committee was reconstituted again with effect from 14th August, 2014. Dr. Subramanya Reddy D K, Independent Director was appointed as the Chairman of the Committee and Dr. Madhu Sudhana Reddy M Independent Director was appointed as a Member of the Committee.

4. Nomination and Remuneration committee

The broad terms of reference of the Remuneration Committee of the Company was to recommend to the Board the compensation package for executive directors and Managerial Personnel including pension rights and payment of compensation subject to approvals from shareholders and Central Government, as and when necessary. This committee also acted as remuneration committee in compliance with the provision of section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

The composition of Nomination and Remuneration committee as on 31st March, 2015:

Dr. Subramanya Reddy D K (Chairman)
Dr. Madhu Sudhana Reddy
Mr. D Ravi Kumar

Consequent to the resignation of Mr. Mohan Hosahalli Ramakrishna, the Remuneration committee was reconstituted again with effect from 14th August, 2014. and Mr. Ravi Kumar D, Chairman and Managing Director was appointed as a Member of the Committee.

Remuneration policy

The remuneration committee recommends the remuneration payable to Executive Directors based on their contribution to the growth and development of the Company and is subject to the approval of the Board, Shareholders and the provisions of the Companies Act. The remuneration policy of the Company is to remunerate the employees at industry levels and thereby attract, train, retain and motivate them to contribute their best to the growth of the company.

Remuneration to Directors

During the financial year ended 31st March, 2015 the company has not paid any remuneration to its directors.

5. Corporate Social Responsibility (“CSR”) Committee

Pursuant to Section 135 of the Act the Board constituted the CSR Committee. The CSR Committee provides guidance on various CSR activities to be undertaken by the Company and monitors its progress. The terms of reference for the CSR Committee include:

- Formulate a CSR Policy which shall indicate activities to be undertaken by the Company.
- Recommend the CSR Policy to the Board.
- Recommend the amount of expenditure to be incurred on the activities.
- Monitor the Policy from time to time as per the CSR Policy.

Details of constitution of the CSR Committee as on March 31, 2015 are given below:

Mr. D Ravi Kumar, Chairman
Dr. Subramanya Reddy D K, Member
Dr. M Madhu Sudhana Reddy, Member.

6. Stakeholders Relationship Committee:

The composition of the Stakeholders Relationship Committee is in compliance with the provision of section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

The Stakeholders Relationship Committee was constituted to specifically look into the redressal of Investors' complaints relating to the transfer of shares, non- receipt of Annual Reports, non-receipt of Dividend, etc.,

The members of the Shareholders' Grievance Committee are as follows:

Dr. Subrahmanya Reddy D K (Chairman)
Dr. M Madhu Sudhana Reddy
Mr. Ravi Kumar D

Consequent to the resignation of Mr. Mohan Hosahalli Ramakrishna, the shareholders grievance committee was reconstituted with effect from 14th August, 2014. Dr. Madhu Sudhana Reddy M Independent Director was appointed as a Member of the Committee.

Mr. Vijayendra R, Company Secretary was the secretary of Stakeholders Relationship Committee.

Number of Shareholders' Complaints Pending at the beginning of the year was 157. 44 complaints were received during the year. 6 were resolved. The number of Complaints not solved to the satisfaction of the shareholders at the end of the year was 195.

During the period 1 (one) meeting of the Stakeholders Relationship Committee was held viz. on 5th February, 2015, attended by Dr. Subramanya Reddy D K, Dr. M Madhu Sudhana Reddy and Mr. Ravi Kumar D.

Share transfer system

In order to expedite the process of Share Transfers, Dematerialization, issue of duplicate certificates and certificates after Splits/Consolidation/ Renewal, Dematerialization etc., the Board has delegated the power of approval of share transfer etc., to the Company Secretary.

The Company Secretary will approve the share transfer etc., once in 15 days or as may be necessary as required under Clause 49(IVG) of the Listing Agreement.

Shareholding Pattern

Sl. No.	Category	As on 31.03.2015	
		No. of shares held	% of share-holding
1.	Promoter Group	13647500	35.09
2.	Resident Individuals	20549600	52.84
3.	Bodies Corporate	2893086	7.44
4.	Non Resident Indians	1352869	3.48
5.	Clearing Members	247203	0.63
6.	Venture capital Fund	100	0.00
7.	Foreign Institutional Investors	200000	0.52
	Total	38890358	100

No. of shares	No. of share holders	% to total share holders	No. of shares held	% to total equity
1 – 5,000	10026	66.8	1720957	4.43
5,001 – 10,000	2065	13.76	1773563	4.57
10,001 – 20,000	1151	7.67	1822181	4.68
20,001 – 30,000	522	3.48	1357476	3.49
30,001 – 40,000	210	1.4	757125	1.95
40,001 – 50,000	273	1.82	1307699	3.36
50,001–1,00,000	375	2.5	2755224	7.08
100001 & above	388	2.58	27396133	70.44
Total	15010	100	38890358	100

7. Particulars of the past three annual general meetings

Location, date and time of Annual General Meetings held during the last 3 years:

Year	Location	Date	Time	Special resolutions passed in the AGM
2011-2012	Kutchi Bhavan: #44B, 1st Main road, J P Nagar, 3rd Phase, Opp. Mini Forest, (Near Shoppers Stop, Bannerghatta road), Bangalore-560078	28.09.2012	10.00 A.M.	Approval and ratification of revised utilization of Initial Public Offer (IPO) proceeds. Alteration of Articles of Association of the Company
2012-2013	Kutchi Bhavan: #44B, 1st Main road, J P Nagar, 3rd Phase, Opp. Mini Forest, (Near Shoppers Stop, Bannerghatta road), Bangalore-560078	26.12.2013	10.00 A.M.	Approval of appointment and payment of remuneration to Mr. Ravi Kumar D, Chairman and Managing Director for a period of three years from 15th December, 2012
2013-2014	Acropetal Technologies Limited Registered Office : #74/75, 3rd Cross, 1st Main, N S Palya, Bannerghatta Road, Bangalore - 560076	29.09.2014	10.00 A.M.	Borrowing powers of the Board of Directors of the Company Re appointment of Managing Director Consent of the members to deal with the properties of the Company Investment by the Company in other bodies corporate

Special Resolution put through postal ballot last year, details of voting pattern, person who conducted the postal ballot exercise: Nil

Special Resolution to be passed through Postal Ballot will be conducted as and when required by following the prescribed procedure.

8. Disclosures

1. Disclosures on materially significant related party transactions that may have potential conflicts with the interest of the company at large:

During the year, the Company had not entered into any transaction of a material nature with any of the related parties which were in conflict with the interest of the company.

All transactions with the Related Parties were in the ordinary course of business and at arms length.

2. While preparing Financial Statements applicable accounting standards have been followed.
3. Details of non-compliance by the Company, penalties, strictures imposed on the company by Stock Exchange or SEBI or other authority on any matter related to capital markets, during last three years:

The Shareholders at the 11th AGM held on 28th September, 2012 declared dividend at the rate of Rs.1.20 per share of Rs.10 each and it was due for payment by 27th October, 2012.

The IT industry was reeling under global slow down in the USA and European countries. This necessitated maintaining the fine balance between retaining the business and receivable collections.

The Management was committed to maximize returns to its investors which could be achieved by growth in business by transforming into new business models. This coupled with necessity to continue with the existing business caused strains on the liquidity position of the Company. In the meanwhile the sources of working capital for the Company were also adversely affected due to scarcity of funds in the market and abnormal increase in the Receivables from our clients. In this regard the management has take some drastic measures to revive the Company from further downfall. One among them is to reduce the service business where the payments are delayed abnormally, which has caused further strain on the financials of the Company.

Therefore the dividend payment for the year 2011- 12 could not be completely made.

However, payment of dividend for 10,168 share holders out of the total of 16,300 shareholders have already been made The Management is making all efforts to make payments to the remaining shareholders and is confident of resolving the issue soon.

4. The Company has adopted the Whistle Blower policy applicable for employees, in terms of Section 177 (9) of the Companies Act, 2013. This policy provide adequate safeguard against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the audit committee in appropriate or exceptional cases.
5. The Company has duly complied with the applicable mandatory requirements of Clause 49.

9. Means of communication

- * Newspapers wherein results normally published:
 1. The Hindu - Business line, Financial Express (All India Editions)
 2. Samyuktha Karnataka
 3. Vijaya Vani
- * Management Discussions and Analysis forms part of this Annual Report, which is also being posted to all the shareholders of the Company.
- * A separate e-mail id viz. ir@acropetal.com has been designated exclusively for registering complaints by the investors of the Company.
- * Company's website address: www.acropetal.com. The same is being updated as and when necessary
- * Presentations made to Institutional Investors / Analysts: Nil

10. General shareholder information

- i. Annual General Meeting:

Date and Time: 24th September, 2015, at 10 am

Venue: Registered Office at:

#74/75, 3rd Cross, 1st Main, N.S. Palya, Bannerghatta Road, Bangalore-560 076.
- ii. Financial Year of the Company commences from 1st April and ends on 31st March of next year.
- iii. Book closure: 18th November, 2015 to 24th November, 2015 (both days inclusive).
- iv. Listing on the Stock Exchanges Equity Shares of the Company are listed on Bombay Stock Exchange

Limited(BSE) and National Stock Exchange of India Limited(NSE).

Annual Listing fees for the year 2014-15 have been paid to NSE.

v. Stock Code

NSE:ACROPETAL

BSE: 533330

Market price data: High/Low during each month in the financial year

Month	Acropetal Technologies Limited on BSE			Acropetal Technologies Limited on NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
April,14	36.50	27.90	16621	35.70	28.25	31574
May, 14	38.40	29.30	54230	38.50	26.10	159433
June,14	45.65	34.10	172978	45.80	33.10	337037
July, 14	44.40	34.30	2705587	44.40	34.05	308494
Aug, 14	40.00	31.75	45812	38.90	31.30	94989
Sep, 14	39.65	29.30	101348	39.90	29.75	442200
Oct, 14	33.45	27.30	24420	34.00	27.50	103457
Nov, 14	34.40	29.00	61290	34.90	28.50	157067
Dec,14	33.00	26.60	43007	31.45	26.15	123961
Jan, 15	31.00	26.10	53666	31.00	25.50	107424
Feb, 15	33.35	27.35	32062	33.30	26.70	141305
Mar, 15	29.40	14.75	148793	29.40	14.60	362656

11. Dematerialization of shares and liquidity

As on 31st March, 2015, 97.50% of the company's total shares representing 3,79,17,304 shares were held in dematerialized form and the balance 2.50% representing 9,73,054 shares were in physical form. The Company shares are traded regularly on the Bombay stock Exchange Limited and the National Stock Exchange of India Limited.

Demat ISIN Number: INE055L01013

12. The company has not issued any GDRs/ ADRs/warrants or any convertible instruments

13. Development centre

The Company's development center is located at the following place:

Registered Office at:
#74/75, 3rd Cross, 1st Main,
N.S. Palya, Bannerghatta Road,
Bangalore-560 076.

14. Address for correspondence

Shareholders may correspond with the company at its Registered Office Address or at the office of Registrars and Transfer Agent of the Company.

Registered Office:
#74/75, 3rd Cross,1st Main,
N.S.Palya, Bannerghatta Road,
Bangalore-560 076.

Tel : +91-80-49084000
Fax No: +91-80-49084100
Email: ir@acropetal.com

Registrars and Transfer Agents:
Sharex Dynamic (India) Pvt. Ltd.,
Unit no 1, Luthra Ind. Premises,
Safed Pool, Andheri Kurla Road,
Andheri (East), Mumbai 400 072.
Tel : 9122 2851 5606/5644
Fax No: +91 22 28512885
Email: sharexindia@vsnl.com

CEO / CFO certification

The Board of Directors has received a certificate for the period ended 31st March, 2015 from the CEO and the CFO as per the requirements of Clause 49 of the Listing Agreement.

Code of conduct

The Board has formulated and adopted a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has been posted on the Company's website www.acropetal.com. Affirmation Report on Compliance of Code of Conduct has been received from the Board Members and Senior Management Personnel of the Company. The declaration by the CEO to this effect is given below:

Ravi Kumar D
Chairman and Managing Director

Date: 16th September, 2015
Place: Bangalore

Registered Office

#74/75, 3rd Cross 1stMain
N S Palya, Bannerghatta Road
Bangalore- 560 076
Corporate Identification Number
L72900KA2001PLC028944
PHONE : 080 4908 4000
FAX : 080 4908 4100
E-mail : corp@acropetal.com
Website : www.acropetal.com

Declaration regarding adherence to the Code of Conduct

Based on the affirmation report received from the Board Members and Senior Management Personnel on compliance of Code of Conduct, I hereby declare that all the Board Members and Senior Management Personnel of the Company have duly complied with the Code of Conduct of the Company for the year 2014-2015.

Ravi Kumar D
Chairman and Managing Director

Date: 16th September, 2015
Place: Bangalore

Registered Office

#74/75, 3rd Cross 1st Main
N S Palya, Bannerghatta Road
Bangalore- 560 076
Corporate Identification Number
L72900KA2001PLC028944
PHONE : 080 4908 4000
FAX : 080 4908 4100
E-mail : corp@acropetal.com
Website : www.acropetal.com

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No. : 08/028944
Corporate Identity No . L72900KA2001PLC028944
Category of the Company : Limited by shares & Listed
Authorised Capital : Rs. 400,000,000.00
Paid-up Capital : Rs. 388,903,580.00

To
The Members,
Acropetal Technologies Limited
#74/75, 3rd Cross, 1st Main,
N S Palya, Bannerghatta Road,
Bangalore- 560076

I have examined the relevant records of Acropetal Technologies Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the financial year ended 31st March 2015. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

On the basis of my examination of the records produced, explanations, information and the Representation furnished by the Management ; I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

I state that in respect of investor grievances received during the financial year ended 31st March 2015, 195 grievances relating to non-payment of dividend for the year 2011-12 were pending against the Company, as per records maintained by the Company.

I further state that the compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company. Further, this certificate is neither an audit nor an expression on the financial statements of the Company.

Sd/-
Naman G. Joshi
Practicing Company Secretary
M. No: 26586C. P. No.: 9579

Date: 16th September, 2015
Place: Bangalore

Annexure - G to Board's Report

FINANCIAL PERFORMANCE OF SUBSIDIARIES

The financial performance of each of the subsidiaries included in the consolidated financial statements are detailed below:

₹ in lakhs

Sr. No.	Name of the subsidiary	Turnover		Profit / (Loss) Before Tax		Profit / (Loss) After Tax	
		Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
1	Vision Info Inc	-	-	-2,414.56	-2,385.48	-2,414.56	-2,385.48
2	Mindriver Information Technologies Pvt. Ltd.	-	-	-60.03	-847.49	29.10	-847.12
3	Acropetal Inc	1,317.33	1,686.94	-457.32	23.52	-457.32	23.52
4	Kinfotech Pvt. Ltd.	-	-	-478.13	-4,118.19	-197.78	-4,118.19

INDEPENDENT AUDITORS' REPORT

To the Members of Acropetal Technologies Limited

Report on the Financial Statements.

We have audited the accompanying financial statements of "ACROPETAL TECHNOLOGIES LIMITED", which comprise the Balance Sheet as at 31st March 2015, and the statements of Profit and Loss and the Cash Flow Statement for year then ended summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements.

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Basis for Qualified Opinion:

1. The company is undergoing a problem in facing the going concern issue, here we mention events that may cast doubt about going concern assumption as follows (as per para 10 of SA 570 "Going Concern").
 - a. As referred in Note 7(a) to the Financial statements, company is facing difficulties in paying statutory dues such as Service tax and TDS amount of Rs.3,34,42,351 and Rs.3,72,09,345 on 31.03.2015 out of which Rs.1,72,27,765 and Rs.3,30,82,033 outstanding for more than one year.
 - b. Note 2(c) in the financial statements which indicates that the Company has accumulated losses and its net worth has been substantially eroded, the company incurred a net loss during the current year (Rs.178.33 crores) and previous year (Rs.74.12 crores) and, the Company's current liabilities (Rs.119.64 crores) exceed its current assets (Rs.10.25 crores) as at the balance sheet date. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis.
2. Out of the Unsecured advances given to staff & employees referred in Note 10(d) of the financial statements, there is uncertainty about recovery of Rs. 22,78,206/- as there is no recovery during the year and these are outstanding for more than a year.
3. During the year the company has written off Rs. 139.87 crores as Bad debts referred in Note 11 of the financial statements of the company which are outstanding for more than a year and the management is not confident of realisation from its customers.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its loss and its cash flows for the year ended on that date.

Other Matters:

We did not audit the financial statements/information of Acropetal USA branch included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of Rs. 1,92,312 as at 31st March, 2015 and there is no revenue for the year ended on that date, as considered in the standalone financial statements. The financial statements / information of this branch has been incorporated as Unaudited.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) The going concern matter described in sub-paragraph (a) under the Emphasis of Matters paragraph above may have an adverse effect on the functioning of the Company.

- (f) We have neither been given written representation from the directors nor secretarial audit report for the year that none of them are disqualified as on 31.03.2015 from being appointed as directors in terms of Sec 164(2). Form DD-B pursuant to sec 274(1)(g) has been filed on 27.10.2013, due to failure in payment of dividend since 27.10.2012. However the company is of opinion that Sec 164(2) does not had to "ipso facto" vacation and it envisages vacation only at the end of the present tenure.

For K Gopalakrishnan & Co
Chartered Accountants
Firm's registration number: 009600S

K Gopalakrishnan
Proprietor
Membership number: 025421

Bangalore
29 May 2015

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- i) (a) The Company has maintained proper records showing full particulars of quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies noticed on such verification.
- ii) The Company is a service company, primarily rendering software services. During the year, it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- iii) The Company has granted interest free loans to two body corporates covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). The outstanding balances for the granted loans are as follows:

Persons covered in the Register maintained under Sec 189	Amount outstanding as on 31.03.2015 (in Rs)
Binary spectrum softech Pvt Ltd	4,76,94,775
Ecologix knowledge solutions pvt ltd	4,50,000

- a) According to the information and explanations given to us, the company has not received any money in the year with respect to above loans.
- b) According to the information and explanations given to us the company has taken reasonable steps to recover the principal amount. But they are not able to recover any amount
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- v) The company has not accepted deposits from the public. However There are balances outstanding in Advance from customers for a period more than 365 days from the date of acceptance, which will be

classified as deposits as per sec 2(31) read with Rule 2(c)(xii) of the Companies act, 2013. There are advances from MD for Rs. 2,70,35,837/- for which we were not provided certificate from him that it is not advanced out of borrowed money and hence we are unable to report that whether it is deposit u/s 2(31) or otherwise.

- vi) The Central government has not prescribed the maintenance of cost records under section 148(1) of the companies Act, 2013 for any of the services rendered by the company.
- vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large no of cases.

Statement of Arrears of Statutory dues Outstanding for more than six months

Nature of the Dues	Amount outstanding as on 31/03/2014 (Rs)	Amount payable For the year	Amount paid (including adjustments) during the year	Amount outstanding on 31/03/2015 (Rs)
Provident Fund	2,26,51,497	1,94,35,719	3,03,69,954	1,17,17,262
CST	4,12,500	-	-	4,12,500
DDT	1,56,34,793	-	-	1,56,34,793
Service Tax	3,72,09,345	2,19,21,074	2,56,88,068	3,34,42,351
Employees state Insurance	8,10,532	12,06,591	7,14,128	13,02,995
TDS	3,62,55,921	76,24,308	67,52,534	3,71,27,694

- (b) According to the information and explanations given to us, there are no dues of sales tax, wealth tax, duty of customs or duty of excise and cess which have not been deposited with the appropriate authorities on account of any dispute. However according to information and explanations given to us, the following dues of income tax have not been deposited by the company on account of dispute:

Name of the statute	Nature of the dues	Amount in Rs.	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Regular assessment Tax	10,44,80,750	April 2010- March 2011	CIT Appeals-I, Bangalore
Income tax Act, 1961	Regular assessment Tax	17,31,71,810	April 2011- March 2012	CIT Appeals-I, Bangalore

(c) The company do not have any amount that is required to be transferred to investor education and protection fund in accordance with the relevant provisions of Companies act,1956(1 of 1956) and rules made thereunder.

viii)The company has accumulated losses at the end of the financial year 2014-15.The accumulated losses are more than Fifty percent of its net worth as at the balance sheet date. The company has also incurred cash losses in the financial year and the immediately preceding financial year.

ix) The company has defaulted in repayment of dues to financial institutions and banks

of fraud on or by the company noticed or reported during the course of our audit nor have been informed of any such instance by the management.

For K Gopalakrishnan& Co
Chartered Accountants
Firm's registration number: 009600S

K Gopalakrishnan
Proprietor
Membership number: 025421

Bangalore
29 May 2015

Bank/financial institution	Opening Bal.	Amount outstanding on 31/03/2015	Period to which the amount relates
Union bank of India	17,56,58,842	19,96,32,045	April 2014 - March 2015
South Indian bank	13,26,93,893	15,08,03,416	April 2014 - March 2015
Bank of India-TL	3,46,40,034	3,72,69,007	April 2014 - March 2015
Axis Bank-CC	10,13,71,806	11,58,65,171	April 2014 - March 2015
Central Bank of India-TL	10,12,08,054	12,00,21,011	April 2014 - March 2015
SBT-Packing credit	25,80,03,017	29,39,73,703	April 2014 - March 2015
IOB-Cash credit	65,64,744	74,60,675	April 2014 - March 2015
SBI Global factors Ltd	Nil	9,92,18,413	April 2014 - March 2015
Indo factoring	Nil	2,13,08,525	April 2014 - March 2015

x) In our opinion and according to the information and explanations given to us,the company has given guarantee for Term loans taken by its subsidiary Vision Info Inc and Mindriver information technologies pvt ltd and the terms &conditions are not prejudicial to the interests of the Share holders.

xi) The company has not taken any term loans during the financial year.

xii) During the course of our examination of the books and records of the company,carried in accordance with the auditing standards generally accepted in India,we have neither come across any instance

ACROPETAL TECHNOLOGIES LIMITED
Audited Balance Sheet as at 31st March,

in ₹

Particulars		Note No.	2015	2014
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	388,903,580	388,903,580
	(b) Reserves and surplus	2	(159,477,296)	1,748,421,807
			229,426,284	2,137,325,387
2	Non-current liabilities			
	(a) Long-term borrowings	3	0	342,992,770
	(b) Deferred tax liabilities (net)		0	23,397,571
	(c) Long-term provisions	4	8,491,593	11,345,195
			8,491,593	377,735,536
3	Current liabilities			
	(a) Short-term borrowings	5	1,085,661,449	487,827,377
	(b) Trade payables	6	0	340,097,217
	(c) Other current liabilities	7	498,487,616	607,903,217
			1,584,149,066	1,435,827,812
	TOTAL LIABILITIES		1,822,066,943	3,950,888,734
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets		367,677,944	397,046,272
	(i) Tangible assets	8 (i)	416,079,568	768,151,411
	(ii) Intangible assets	8 (ii)	0	1,536,743
	(iii) Intangible assets under development		747,457,467	756,457,467
	(b) Non-current investments	9	151,859,434	264,305,092
	(c) Long-term loans and advances	10	36,410,631	0
			1,719,485,045	2,187,496,985
2	Current assets			
	(a) Trade receivables	11	70,222,167	1,616,450,475
	(b) Cash and cash equivalents	12	3,301,184	4,831,947
	(c) Short-term loans and advances	13	29,058,547	21,769,140
	(d) Other current assets	14	0	120,340,188
			102,581,898	1,763,391,749
	TOTAL ASSETS		1,822,066,943	3,950,888,734

See accompanying notes forming part of the financial statements In terms of our report attached.
 In terms of our report attached.

For K. Gopalakrishnan & Co.,
 Chartered Accountants.
 Firm Reg No: 009600S

Ravi Kumar D
 Chairman & Managing Director

For and on behalf of the Board of Directors

Dr. Madhu Sudhana Reddy
 Director

K.Gopalakrishnan.
 Proprietor.
 Membership No. 025421

Vijayendra R
 Company Secretary

Place: Bangalore
 Date: 29-May-2015

Statement of Audited Profit and Loss for the Year ended 31st March,
in ₹

Particulars		Note No.	2015	2014
A	CONTINUING OPERATIONS			
1	Revenue from operations (gross)	15	18,41,23,274	1,06,55,31,971
	Less: Excise duty			
	Revenue from operations (net)		18,41,23,274	1,06,55,31,971
2	Expenses			
	(a) Changes in inventories of finished goods, work-in-progress and stock-in-trade	16	0	72,20,688
	(b) Employee cost	17	15,89,36,824	65,15,25,686
	(c) Other expenses	18	1,54,30,92,046	89,82,35,614
	Total		1,70,20,28,870	1,55,69,81,988
3	Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1 - 2)		-1,51,79,05,595	-49,14,50,017
4	Finance costs	19	13,88,42,029	13,79,61,572
5	Depreciation and amortisation expense	8	31,01,31,774	27,45,91,977
6	Other income	20	6,69,29,940	12,24,66,497
7	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4 - 5 + 6)		-1,89,99,49,459	-78,15,37,069
8	Exceptional items		0	0
9	Prior period adjustments		5,68,01,194	4,28,86,575
10	Profit / (Loss) before extraordinary items and tax (7 + 8)		-1,84,31,48,264	-73,86,50,494
11	Extraordinary items			
12	Profit / (Loss) before tax (9 + 10)		-1,84,31,48,264	-73,86,50,494
13	Tax expense:			
	(a) Current tax expense for current year (MAT)		0	0
	(b) Current tax expense relating to prior years		0	0
	(c) Net current tax expense		0	0
	(d) Deferred tax		5,98,08,201	-26,13,166
			-5,98,08,201	26,13,166
14	Profit / (Loss) for the year (12 - 13)		-1,78,33,40,063	-74,12,63,660
15.i	Earnings per share (of Rs.10/- each):			
	(a) Basic			
	(i) Continuing operations		-45.86	-19.06
	(ii) Total operations		-45.86	-19.06
	(b) Diluted			
	(i) Continuing operations		-45.86	-19.06
	(ii) Total operations		-45.86	-19.06

Statement of Audited Profit and Loss for the Year ended 31st March,

in ₹

Particulars		Note No.	2015	2014
15.ii	Earnings per share (excluding extraordinary items) (of Rs.10/- each):			
	(a) Basic			
	(i) Continuing operations		-45.86	-19.06
	(ii) Total operations		-45.86	-19.06
	(b) Diluted			
	(i) Continuing operations		-45.86	-19.06
	(ii) Total operations		-45.86	-19.06

See accompanying notes forming part of the financial statements

For K. Gopalakrishnan & Co.,
Chartered Accountants.
Firm Reg No: 009600S
Chairman & Managing Director
K.Gopalakrishnan.
Proprietor.
Membership No. 025421

Ravi Kumar D
Director

Vijayendra R
Company Secretary

For and on behalf of the Board of Directors

Dr. Madhu Sudhana Reddy

Place: Bangalore
Date: 24-May-2015

Cash Flow Statement for the year ended 31 March,
in ₹

Particulars	2015	2014
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	-1,84,31,48,264	-73,86,50,494
<i>Adjustments for:</i>		
Depreciation and amortisation	31,01,31,774	27,45,91,977
Finance costs	13,88,42,029	13,79,61,572
Interest & Dividend Income	0	-5,33,926
Prior period adjustments	0	0
Operating profit / (loss) before working capital changes	-1,39,41,74,461	-32,66,30,871
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	0	0
Trade receivables	1,54,62,28,308	-14,57,01,985
Short-term loans and advances	-72,89,408	1,27,96,953
Other current assets	12,03,40,188	9,33,62,919
Long-term loans and advances	11,24,45,658	44,26,43,062
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	-34,00,97,217	12,49,85,215
Other current liabilities	-10,94,15,601	5,35,30,357
Short-term provisions	0	0
Long-term provisions	-5,60,50,745	-23,05,541
Cash generated from operations	-12,80,13,278	25,26,80,109
Net income tax (paid) / refunds	0	0
Net cash flow from / (used in) operating activities (A)	-12,80,13,278	25,26,80,109
B. Cash flow from investing activities		
Purchase / Increase in Net Fixed Assets	-53,500	-19,65,47,543
Change in Capital Work-in-progress	15,36,743	-15,36,743
Investment in subsidiaries	90,00,000	30,00,000
Interest & Dividend Income received	0	5,33,926
Net cash flow from / (used in) investing activities (B)	1,04,83,243	-19,45,50,359
C. Cash flow from financing activities		
Proceeds from long-term borrowings	-34,29,92,770	4,41,24,232
Procees from Short-term borrowings	59,78,34,072	-4,53,28,960
Finance cost	-13,88,42,029	-13,79,61,572

Cash Flow Statement for the year ended 31 March,*in ₹*

Particulars	2015	2014
Net cash flow from / (used in) financing activities (C)	11,59,99,273	-13,91,66,300
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	-15,30,763	-8,10,36,551
Cash and cash equivalents at the beginning of the year	48,31,947	8,58,68,496
Less: Margin money		0
Cash and cash equivalents at the end of the year	33,01,184	48,31,947

For K. Gopalakrishnan & Co.,
Chartered Accountants.
Firm Reg No: 009600S
Chairman & Managing Director
K.Gopalakrishnan.
Proprietor.
Membership No. 025421

Ravi Kumar D
Director

Vijayendra R
Company Secretary

For and on behalf of the Board of Directors

Dr. Madhu Sudhana Reddy

Place: Bangalore
Date: 24-May-2015

Notes forming part of the financial statements as at March 31,

Note 1 - Share capital

Particulars	2015		2014	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of Rs. 10 each with voting rights	40,000,000	400,000,000	40,000,000	400,000,000
(b) Issued, subscribed & Paid up Equity shares of Rs. 10 each with voting rights	38,890,358	388,903,580	38,890,358	388,903,580

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes (give details)	in ₹	
									Closing Balance
Equity shares with voting rights									
Year ended March 31, 2015									
- Number of shares	38,890,358	0	0	0	0	0	0	0	38,890,358
- Amount (Rs.)	388,903,580	0	0	0	0	0	0	0	388,903,580
Year ended March 31, 2014									
- Number of shares	38,890,358	0	0	0	0	0	0	0	38,890,358
- Amount (Rs.)	388,903,580	0	0	0	0	0	0	0	388,903,580

Of the above, 16,000,000 (16,000,000) equity shares of Rs. 10 each, fully paid up have been issued as bonus shares by capitalization of the retained profits

(c). Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	2015		2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Ravi Kumar D	10,805,300	27.78%	13,630,300	35.05%
Malini Reddy T	1,612,200	4.16%	3,412,200	8.77%

Note 2 - Reserves and surplus
in ₹

Particulars	2015	2014
(a) Securities premium account		
Opening balance	1,58,00,27,044	1,58,00,27,044
Add : Premium on shares issued during the year	0	0
Less : Utilised during the year	0	0
Closing balance	1,58,00,27,044	1,58,00,27,044
(b) General reserve		
Opening balance	11,48,68,008	11,48,68,008
Add: Transferred from surplus in Statement of Profit and Loss	0	0
Closing balance	11,48,68,008	11,48,68,008
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	5,35,26,755	79,47,90,415
Add: Profit / (Loss) for the year	-1,78,33,40,063	-74,12,63,660
Less: Interim dividend		
Dividends proposed to be distributed to equity shareholders	0	0
Adjusted with Fixed Assets a/c	7,13,61,896	
Opening P&L (unrealised forex)	5,31,97,143	
Transferred to General reserve	0	0
Closing balance	-1,85,43,72,348	5,35,26,755
Total	-15,94,77,296	1,74,84,21,807

Note 3 - Long term borrowings

Particulars	2015	2014
(a) Term loans from Banks (Refer note (i) below)		
Secured	0	342,992,770
	0	342,992,770
(b) Long-term maturities of finance lease obligations (Refer note (i) below)		
Secured	0	0
Total	0	342,992,770

Note: The long term loans availed by the company have been classified as NPA by the banks . Hence these loans are regrouped under short term borrowings.

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security	2015	2014
<u>Term loans from banks:</u>			
South Indian Bank	Primary security for term loans from banks are Fixed Assets (Tangible & Intangible) of the Company and collateral security comprises of hypothecation of property & personal guarantee of Chairman & Managing Directors. Long term loans are repayable within of 3 to 5 years from March 31, 2012. Rate of Interest on these loans is ranging from 10% to 18% p.a.	0	132,693,893
United Bank of India		0	175,658,842
Bank of India		0	34,640,034
Total - Term loans from banks		0	342,992,770
<u>Finance lease obligations:</u>			
Axis Bank Ltd. - 1		-	
Axis Bank Ltd. - 2		-	
HDFC		-	
Total		0	0

Note 4 - Long-term provisions

in ₹

Particulars	2015	2014
Provision for employee benefits:		
(i) Provision for compensated absences	13,75,472	32,04,227
(ii) Provision for gratuity (net)	71,16,121	81,40,968
Total	84,91,593	1,13,45,195

Note 5 - Short-term borrowings

Particulars	2015	2014
(a) Loans from Banks repayable on demand (Refer Note (i) below)		
Secured	1,01,67,82,767	46,05,82,877
Unsecured	2,87,69,200	65,64,744
	1,04,55,51,967	46,71,47,621
(b) Unsecured loans and advances from related parties		
Mindriver Information Technologies Private Limited	1,04,45,500	1,04,22,937
Acropetal Inc	4,95,300	3,63,577
Kinfotech Private Limited	21,32,845	21,46,520
Directors' A/c	2,70,35,837	77,46,722
	4,01,09,482	2,06,79,756
Total	1,08,56,61,449	48,78,27,377

Notes: (i) Details of security for the secured short-term borrowings:

Particulars		2015	2014
<u>Loans from Banks repayable on demand</u>	Working capital loans are secured by the current assets of the company with interest rates ranging from 12% to 15%		
AXIS Bank-CC		11,58,65,171	10,13,71,806
State Bank of Travancore - CC		29,39,73,703	25,80,03,017
Central Bank of India	Long term borrowings moved to short term borrowings as these loans have been classified as NPA by the banks and these loans continued to have the same hypothecation of properties as collateral securities and personal guarantee of the Directors.	12,00,21,011	10,12,08,054
SBI Global Factors Ltd.		9,92,18,413	0
South Indian Bank		15,08,03,416	0
United Bank of India		19,96,32,045	0
Bank of India		3,72,69,007	0
	Bills discounted with SBI Global Factors Ltd in the previous years could not be realised and have become the liability of the company during the year		
Total		1,01,67,82,767	46,05,82,877

Details of unsecured loans from Financial Institutions repayable on demand:

Particulars	2015	2014
Indiafactorings Limited	2,13,08,525	0
Indian Overseas Bank	74,60,675	65,64,744
	2,87,69,200	65,64,744

Note 6 - Trade payables*in ₹*

Particulars	2015	2014
Trade payables:		
Acceptances	0	0
Other than Acceptances	0	34,00,97,217
Total	0	34,00,97,217

Note 7 - Other current liabilities

Particulars	2015	2014
Other payables		
(i) Statutory remittances	9,96,33,455	11,29,94,800
(ii) Advance from customers	16,82,878	21,33,547
(iii) For Expenses	11,07,29,565	18,36,52,607
(iv) Advances from others	21,51,90,000	22,49,90,000
(v) Income Tax Payable (AY 2011-12)	47,80,246	47,80,246
(vi) Unpaid Dividend account	4,05,03,758	3,98,48,383
(vii) Unclaimed Dividend	4,44,656	4,44,656
(viii) Others	2,55,23,058	3,90,58,979
Total	49,84,87,616	60,79,03,217

Note 8 - Fixed assets

in ₹

Description	Gross block						Depreciation Block				Net Block	
	1st April 2014	Additions	Disposals	Adjustments	31st March 2015	1st April 2014	Additions	Disposals	31st March 2015	31st March 2015	31st March 2014	
<u>(i) Tangible assets (A)</u>												
(a) Freehold Land	24,237,000	0	0	0	24,237,000	0	0	0	0	0	24,237,000	24,237,000
(b) Buildings	466,922,386	0	0	0	466,922,386	115,164,134	17,351,749	0	132,515,883	0	334,406,503	351,758,252
Own use												
(c) Plant and Equipment	76,784,114	0	0	231,047	76,553,067	69,533,618	4,051,618	0	73,585,237	0	2,967,830	7,250,496
Computers & Accessories												
(d) Furniture and Fixtures	11,703,624	0	0	198,587	11,505,037	6,998,493	1,360,009	0	8,358,502	0	3,146,535	4,705,131
Furniture & Fittings	5,935,027	0	0	89,641	5,845,386	3,828,705	775,307	0	4,604,011	0	1,241,375	2,106,322
Electrical and Networking	1,526,505	0	0	0	1,526,505	1,225,736	213,624	0	1,439,360	0	87,145	300,769
Office Interiors												
(e) Office equipment	6,170,046	53,500	0	392,899	5,830,647	2,396,347	2,260,413	0	4,656,760	0	1,173,887	3,773,699
Office Equipments	3,138,851	0	0	733,004	2,405,847	2,024,560	224,345	0	2,248,904	0	156,943	1,114,291
Air Conditioners	5,203,050	0	0	1,502,503	3,700,548	3,402,738	37,083	0	3,439,821	0	260,727	1,800,312
UPS and Generators												
Total Tangible assets (A)	601,620,603	53,500	0	3,147,681	598,526,422	204,574,331	26,274,147	0	230,848,478	0	367,677,944	397,046,272
<u>(ii) Intangible assets (B)</u>												
(a) Computer software	780,601,593	0	0	68,214,216	712,387,377	528,514,748	183,872,630	0	712,387,377	0	0	252,086,845
(b) Product Development Cost	599,909,980	0	0	0	599,909,980	83,845,415	99,984,997	0	183,830,412	0	416,079,568	516,064,565
Total (A) + (B)	1,380,511,573	0	0	68,214,216	1,312,297,357	612,360,162	283,857,627	0	896,217,789	0	416,079,568	768,151,411
Previous year	1,982,132,176	234,044,330	58,296,815	(2,563,721)	1,982,132,176	816,934,493	310,131,774	0	1,127,066,267	0	783,757,513	1,165,197,683
Previous year	1,808,948,382	234,044,330	58,296,815	(2,563,721)	1,982,132,176	565,706,265	274,591,977	23,363,749	816,934,493	1,165,197,683	1,243,242,117	

Note: The company has worked out the depreciation based on the useful life of the assets as per schedule II which has resulted in increase in depreciation/ amortisation and to that extent the profit is understated. The net asset value of the assets whose useful life is nil as of 1st April 2014, were transferred to the Reserves & Surplus account.

Note 9 - Non-current investments
in ₹

Particulars	2015	2014
Investment in equity instruments - Unquoted (at cost)		
<u>Subsidiaries</u>		
Visioninfo Inc.		
[10 Shares of 1000 Arab Emirates Dhiraams each fully paid]	135,979	135,979
(previous year: 10 Shares of 1000 Arab Emirates Dhiraams each fully paid)		
Acropetal Inc		
[596508 Shares fully paid up]	562,278,847	562,278,847
Mindriver Information Tec. Pvt. Ltd		
[4,39,990 Shares of Rs.10/- at a premium of Rs.206/- per share each fully paid]	95,042,641	95,042,641
Kinfotech Pvt. Ltd		
[480,000 Shares of Rs.10/- at a premium of Rs.90/- per share each fully paid]	48,000,000	48,000,000
(previous year: NIL)		
<u>Associates</u>		
Binary Spectrum Softech P Limited.		
[3360 Equity Shares of Rs.10/- each fully Paid valued at Rs.12500/- each]	42,000,000	51,000,000
(Previous year: 4080 Shares of Rs.10/- each fully Paid valued at Rs.12500/- each)		
Total	747,457,467	756,457,467

Note 10 - Long term loans and advances

Particulars	2015	2014
(a) Security deposits		
Unsecured, considered good	44,63,645	55,02,428
Less: Provision for doubtful deposits	0	0
	44,63,645	55,02,428
(c) Loans and advances to related parties		
Unsecured, considered good		
Vision Info Inc	0	11,23,62,341
Acropetal Inc	14,46,817	0
Others (Binary)	4,76,94,775	4,75,44,775
Less: Provision for doubtful loans and advances	0	0
	4,91,41,592	15,99,07,116
(d) Loans and advances to employees		
Unsecured, considered good	28,77,928	25,66,907
Less: Provision for doubtful loans and advances	0	0
	28,77,928	25,66,907
(e) MAT credit entitlement - Unsecured, considered good	9,44,26,270	9,44,26,270
(f) Other loans and advances (specify nature)		
Unsecured, considered good	9,50,000	19,02,372
Less: Provision for other doubtful loans and advances	0	0
	9,50,000	19,02,372
Total	15,18,59,434	26,43,05,092

Note 11 - Trade receivables

in ₹

Particulars	2015	2014
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	2,65,12,795	1,23,53,62,760
Doubtful	1,39,87,29,939	64,60,49,027
	1,42,52,42,734	1,88,14,11,787
Less: Bad debts written off	-1,39,87,29,939	-64,60,49,027
	2,65,12,795	1,23,53,62,760
Other Trade receivables		
Unsecured, considered good	4,37,09,372	38,10,87,715
Doubtful	0	0
	4,37,09,372	38,10,87,715
Less: Provision for doubtful trade receivables		
	4,37,09,372	38,10,87,715
Total	7,02,22,167	1,61,64,50,475

Note 12 - Cash and cash equivalents

Particulars	2015	2014
(a) Cash on hand	74,110	1,48,980
(b) Balances with banks		
(i) In current accounts	25,26,159	9,74,208
(ii) In EEFC accounts	469	29,16,103
(iii) In deposit accounts	0	92,211
(iv) Unpaid dividend accounts	7,00,446	7,00,446
Total	33,01,184	48,31,947

Note 13 - Short term loans and advances

Particulars	2015	2014
(a) Balances with government authorities		
Unsecured, considered good		
Income tax Refund	67,20,136	67,20,136
Income tax (TDS)	2,15,93,387	1,40,40,371
	2,83,13,523	2,07,60,507
(b) Prepaid expenses - Unsecured, considered good	7,45,024	10,08,633
Total	2,90,58,547	2,17,69,140

Note 14 - Other current assets

Particulars	2015	2014
(a) Unbilled revenue	0	8,37,83,926
(b) Balances held as margin money	0	3,65,56,262
Total	0	12,03,40,188

Note 15 - Revenue from operations*in ₹*

Note	Particulars	2015	2014
(a)	Sale of products	0	0
(b)	Sale of services	18,41,23,274	1,06,55,31,971
		18,41,23,274	1,06,55,31,971
	Less: Excise duty	0	0
	Total	18,41,23,274	1,06,55,31,971
Note	Particulars	2015	2014
(i)	Sale of products		
	Computer Hardware	0	0
	Computer Software	0	0
	Total - Sale of products	0	0
(ii)	Sale of services		
	Technical Services Outsourcing	7,66,16,510	9,11,89,468
	Technical Export Services	10,75,06,764	97,43,42,503
	Total - Sale of services	18,41,23,274	1,06,55,31,971

Note 16 - Changes in inventories of stock-in-trade

Note	Particulars	2015	2014
	Inventories at the end of the year:		
(a)	Un Billed Revenue	0	0
(b)	Stock-in-trade	0	0
		0	0
	Inventories at the beginning of the year:		
(a)	Un Billed Revenue	0	0
(b)	Stock-in-trade	0	72,20,688
		0	72,20,688
	Net (increase) / decrease	0	72,20,688

Note 17 - Employee benefits expense

Particulars	2015	2014
Salaries and wages	14,35,15,313	18,92,07,502
Directors Remuneration	0	48,00,000
Contributions to provident and other funds	61,27,673	79,99,497
Staff welfare expenses	50,74,412	46,36,251
Onsite project expenses	0	42,42,99,232
Subcontracting	42,19,426	2,05,83,204
Total	15,89,36,824	65,15,25,686

Note 18 - Other expenses

in ₹

Particulars	2015	2014
Power,fuel and water	28,72,927	31,11,025
Rent including lease rentals	33,39,852	66,54,225
Repairs and maintenance	53,82,287	65,02,871
Insurance	12,85,745	15,38,443
Rates and taxes	12,55,324	43,17,933
Communication	9,89,910	21,91,942
Travelling and conveyance	33,38,338	46,28,674
Printing and stationery	9,07,736	8,18,343
Business promotion	8,84,108	13,88,678
Listing Fee	3,30,112	1,54,728
Sitting Fee	0	3,40,000
Other Administration Expenses	16,41,167	37,98,171
Loss On sale of Shares	0	25,50,000
Loss on Sale of Assets	0	1,23,30,764
Legal and professional	92,72,260	11,98,210
Bad advance written off	11,23,62,341	19,93,62,580
Bad debts written Off	1,39,87,29,939	64,60,49,027
Audit fee	5,00,000	13,00,000
Total	1,54,30,92,046	89,82,35,614
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
Statutory audit	3,00,000	10,00,000
Tax audit	2,00,000	3,00,000
Total	5,00,000	13,00,000

Note 19 - Finance costs

Particulars	2015	2014
(a) Interest expense on Term Loan	4,67,11,699	5,84,99,252
(b) Interest expense on Working Capital Loan	7,05,75,236	5,52,51,084
(c) Finance charges	2,13,67,000	2,05,44,428
(d) Bills discount charges	0	20,61,213
(e) Bank Charges	1,88,094	16,05,595
Total	13,88,42,029	13,79,61,572

Note 20 - Other income

Particulars	2015	2014
(a) Interest income	0	5,33,926
(b) Net gain on forex fluctuations	6,67,17,274	11,77,88,749
(c) Other income	2,12,666	41,43,822
Total	6,69,29,940	12,24,66,497

Note 20 - Other income - continued...*in ₹*

Particulars	2015	2014
(i) Interest income comprises:		
Interest on bank deposits	0	5,33,926
Total - Interest income	0	5,33,926
(ii) Other non-operating income comprises:		
Fixed deposit - revalued	0	37,61,026
Miscellaneous income	2,12,666	3,82,796
Total - Other non-operating income	2,12,666	41,43,822

Note 21

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Details of Forex inward & outwards for the FY 2014-15

Particulars	Current Year		Previous Year	
	USD	EURO	USD	EURO
	INR	INR	INR	INR
Inwards from Export of software services	16,94,197	-	42,26,309	-
Outward				25,36,16,569
For Onsite development exp.	-	-	18,57,800	-
For Software purchases	-	-	-	10,64,06,302
For Overseas office expansion, travelling and business promotion	-	-	-	33,682
				26,35,980

in ₹

Managerial Remuneration

D Ravi Kumar	Nil	(Previous Year Rs. 50,88,000/-)
--------------	-----	---------------------------------

Contingent Liabilities

- Corporate Guarantee in favor of UPS Capital Business Credit main office situated at 425 Dat Halli Road, Windsor, Connecticut, U.S.A. 06095 for loan availed by Vision Info Inc. the outstanding amount of Rs. 4,155.39 lakhs - USD 6,638,980. (Previous Year the outstanding amount is Rs. 3887.69 lakhs - USD 6,468,813)
- Corporate guarantee towards Mindriver Information Technologies Limited having facility with ICICI bank ,outstanding Rs. 267.50 lakhs (Previous year Rs. 234.65 Lakhs)

- Outstanding guarantees and counter guarantees is Nil (Previous Year nil)

Employee benefit plans

Defined contribution plans : The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 53,19,177/- (Year ended 31 March, 2014 Rs.70,63,375/-) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans: The Company offers the following employee benefit schemes to its employees.

- Gratuity: An amount of Rs. Nil - has been recognised in the Statement of Profit and Loss for the year ended March 31, 2015 towards Gratuity based on Actuarial Valuation. (Net liability recognised is Balance Sheet : Rs. 71,16,121/-)
- Compensated absences : An amount of Rs. Nil has been recognised in the Statement of Profit and Loss for the year ended March 31, 2015 towards compensated absences based on Actuarial valuation (Net liability recognised in Balance Sheet : Rs. 13,75,472)

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Actuarial assumptions	
Discount rate	8.00%
Salary escalation	6.00%
Attrition	5.00%
Mortality tables	LIC (94-96) Ultimate Mortality Table

iii) We have submitted to the following Banks for the statements & confirmation of account balances, but banks have not provided the same.

a	State Bank Of Travancore
b	Bank Of India
c	United Bank Of India
d	Central Bank Of India
e	South Indian Bank Ltd
f	Axis Bank Limited

iv) Following advances against supply of goods or service received from customers are more than 365 days are not yet settled:

		<i>in ₹</i>
a	Purushotham	5,000,000
b	CEDRIC PROPERTIES PRIVATE LIMITED	6,190,000
c	Chamundi Gold Hill Estate	107,000,000
	Total	118,190,000.00

v) During the year, receivables from some of the customers have been written off a sum of Rs.139,87,29,939/- which are outstanding for more than 3 year and the company has no right to recover the same under the limitation act. The company has initiated legal action for recovery against the major customers.

vi) During the year, intangible assets amounting to Rs. 682.14 lakhs (computer Software) has been written off which do not have its future economic life .

vii) During the year following expenses and Taxes are written back to Profit & Loss account which have been unpaid.

		<i>in ₹</i>
Particulars		Amount
a	Taxes	5,610,623
b	Expenses (Previous years)	117,324,924
	Total	122,935,547

viii) During the year unbilled revenue of Rs. 717.45 laks of previous year has been written off due to uncertainties with the customers.

ix) The company has paid travel advances to two of its staffs to an amount of Rs. 22.78 lakhs in the previous years which have not been settled and are lying for more than 365 days. The company owes amount to these employees by way of settlement, while settling their final settlement these advances will be adjusted.

Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Vision Info. Inc. MindRiver Information Technologies Private Limited Acropetal Inc Kinfortech Private Limited
Associates	Binary Spectrum Softech Pvt. Ltd.
Key Management Personnel (KMP)	Mr. D.Ravikumar
Relatives of KMP	Mrs. Malini Reddy (w/o Mr.D. Ravikumar)

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March
in ₹

Particulars	Subsidiaries	KMP	Relatives of KMP	Total
Rent Office - Malini Reddy	0	0	2,739,852	2,739,852
Loans and advances				
Binary (net)	(150,000)	0	0	(150,000)
Ravi Kumar.D	0	7,864,979	0	7,864,979
Mindriver Information Technologies Ltd	(22,563)	0	0	(22,563)
Kinfotech Private Limited	(13,675)	0	0	(13,675)
Acropetal Inc,	1,315,094	0	0	1,315,094
<u>Balances outstanding at the end of the year</u>				
Loans and advances (Receivables)				
Binary	47,694,775	0	0	47,694,775
Acropetal Inc,(Receivable)	951,517	0	0	951,517
Loans and advances (Payable)				
Kinfotech Private Limited (Payable)	2,132,845	0	0	2,132,845
Mindriver Information Technologies Ltd (payable)	10,445,500	0	0	10,445,500
Ravi Kumar.D (Payable)	0	17,712,797	0	17,712,797

Earnings Per Share

Particulars	2015	2014
<u>a. Basic</u>		
<u>(i) Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	(1,783,340,063)	(741,263,660)
Less: Preference dividend and tax thereon	0	0
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	(1,783,340,063)	(741,263,660)
Weighted average number of equity shares	38,890,358	38,890,358
Par value per share		10
Earnings per share from continuing operations - Basic	(45.86)	(19.06)
<u>(ii) Total operations</u>		
Net profit / (loss) for the year	(1,783,340,063)	(741,263,660)
Less: Preference dividend and tax thereon		-
Net profit / (loss) for the year attributable to the equity shareholders	(1,783,340,063)	(741,263,660)
Weighted average number of equity shares	38,890,358	38,890,358
Par value per share		10
Earnings per share - Basic	(45.86)	(19.06)
<u>b. Basic (excluding extraordinary items)</u>		
<u>(i) Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	(1,783,340,063)	(741,263,660)
(Add) / Less: Extraordinary items (net of tax) relating to continuing operations	0	0
Less: Preference dividend and tax thereon	0	0
Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	(1,783,340,063)	(741,263,660)
Weighted average number of equity shares	38,890,358	38,890,358
Par value per share		10
Earnings per share, excluding extraordinary items - Basic	(45.86)	(19.06)

Deferred tax (liability)/asset as at 31st March 2015
in ₹

Particulars	Amount
Deferred tax (liability) / asset	(23,397,571)
<u>Tax effect of items constituting deferred tax liability</u>	
On difference between book balance and tax balance of fixed assets	59,808,201
<u>Tax effect of items constituting deferred tax assets</u>	
Provision for compensated absences, gratuity and other employee benefits	-
Tax effect of items constituting deferred tax assets	-
Net deferred tax (liability) / asset	36,410,630

Segment Revenue 2014-15

Business Segment	Engineering Design	Information Technology Services	Health Care	Total
Income	75,090,335	109,032,939	-	184,123,274
Expenditure	71,335,818	87,601,006	-	158,936,824
Allocated General Expenses	178,764,617	1,446,368,263	-	1,625,132,880
Segmental Operating Income	(175,010,100)	(1,424,936,330)	-	(1,599,946,430)
Unallocable Expenses			-	310,131,774
Operating Income				(1,910,078,204)
Other Income				66,929,940
Net Profit Before Taxes				(1,843,148,264)
Income Taxes				(59,808,201)
Net Profit After Taxes				(1,783,340,063)

Geographic Segment-14-15	United States	Middle East	Europe	Asia	Total
Income	6,066,283	75,090,335	31,395,175	71,571,481	184,123,274
Expenditure	4,549,712	71,335,818	23,546,381	59,504,912	158,936,824
Allocated General Expenses	1,402,487,218	158,871,110	19,445,258	44,329,294	1,625,132,880
Segmental Operating Income	(1,400,970,647)	(155,116,593)	(11,596,464)	(32,262,725)	(1,599,946,430)
Unallocable Expenses					310,131,774
Operating Income					(1,910,078,204)
Other Income					66,929,940
Net Profit Before Taxes					(1,843,148,264)
Income Taxes					(59,808,201)
Net Profit After Taxes					(1,783,340,063)

Segment Revenue 2013-14 (Previous Year)

Business Segment	Engineering Design	Information Technology Services	Health Care	Total
Income	127,863,836	930,209,410	7,458,724	1,065,531,971
Expenditure	71,603,748	576,490,925	3,431,013	651,525,686
Allocated General Expenses	31,267,091	962,756,352	6,507,856	1,000,531,299
Segmental Operating Income	24,992,997	(609,037,867)	(2,480,145)	(586,525,014)
Unallocable Expenses				274,591,977
Operating Income				(861,116,991)
Other Income				122,466,497
Net Profit Before Taxes				(738,650,494)
Income Taxes				2,613,166
Net Profit After Taxes				(741,263,660)

in ₹

Geographic Segment	United States	Middle East	Europe	Asia	Total
Income	57,05,83,860	31,71,57,754	8,66,00,945	9,11,89,412	1,06,55,31,971
Expenditure	38,21,28,802	17,44,36,765	4,75,87,219	4,73,72,900	65,15,25,686
Allocated General Expenses	85,40,72,907	11,57,38,793	1,53,94,465	1,53,25,134	1,00,05,31,299
Segmental Operating Income	-66,56,17,850	2,69,82,196	2,36,19,260	2,84,91,379	-58,65,25,014
Unallocable Expenses					27,45,91,977
Operating Income					-86,11,16,991
Other Income					12,24,66,497
Net Profit Before Taxes					-73,86,50,494
Income Taxes					26,13,166
Net Profit After Taxes					-74,12,63,660
As the assets of the Company are used interchangeably between the segments as also the liabilities					

Notes forming part of the financial statements - Company Information & Significant Accounting Policies

Note	Particulars
	<p>Corporate information</p> <p>Established in 2001, Acropetal Technologies is a business technology Solutions Company headquartered in India providing on-demand innovative solutions in the verticals of Education, Healthcare, Manufacturing CPG & Retail, Government & Citizen Services, Energy & Environment, and Engineering & Infrastructure. Acropetal Technologies Limited is currently a public traded company on Indian Stock Exchanges. Our mission is to continuously energize innovation excellence by concurrently driving strategic imperatives for mind to market (M2M) and time to market (T2M) mutually inclusively; facilitating transformation and growth for our customer universe. We create value through a delivery of business solutions on-Demand in real time at the rate of use for a fixed price; as a product, process, service and/or platform. We reach out to our consumers globally and have a presence in India, North & South America, Europe, UK and Middle East.</p>
A	<p>Significant accounting policies (Illustrative)</p>
A.1	<p>Basis of accounting and preparation of financial statements</p> <p>The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.</p>
A.2	<p>Use of estimates</p> <p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p>
A.3	<p>Inventories</p> <p>Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.</p>
A.4	<p>Cash and cash equivalents (for purposes of Cash Flow Statement)</p> <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p>
A.5	<p>Cash flow statement</p> <p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
A.6	<p>Depreciation and amortisation</p> <p>Depreciation and ammortisation have been provided on written down value at the rates specified in Schedule XIV of Companies Act, 1956.</p>

Significant accounting policies (contd.)

Note	Particulars
A.7	<p>Revenue recognition</p> <p><u>Sale of goods</u></p> <p>Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.</p> <p><u>Income from services</u></p> <p>Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable. Revenues from maintenance contracts are recognised pro-rata over the period of the contract.</p>
A.8	<p>Other income</p> <p>Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.</p>
A.9	<p>Tangible fixed assets</p> <p>Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.</p> <p>Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.</p> <p>Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.</p> <p><u>Capital work-in-progress:</u></p> <p>Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.</p>
A.10	<p>Intangible assets</p> <p>Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.</p>

Significant accounting policies (contd.)

Note	Particulars
<p>A.11</p>	<p>Foreign currency transactions and translations</p> <p><u>Initial recognition</u></p> <p>Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.</p> <p><u>Measurement of foreign currency monetary items at the Balance Sheet date</u></p> <p>Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.</p> <p><u>Treatment of exchange differences</u></p> <p>Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a “Foreign currency translation reserve” until disposal / recovery of the net investment. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as “Foreign currency monetary item translation difference account” net of the tax effect thereon.</p> <p><u>Accounting of forward contracts</u></p> <p>Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Refer Notes 2.26 and 2.27 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.</p>
<p>A.12</p>	<p>Government grants, subsidies and export incentives</p> <p>Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.</p> <p>Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.</p> <p>Government grants in the nature of promoters’ contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value. Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.</p>

Significant accounting policies (contd.)

Note	Particulars
A.13	Investments Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.
A.14	Employee benefits Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits. <u>Defined contribution plans</u> The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made. <u>Defined benefit plans</u> For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.
A.15	Employee share based payments The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period. [OR] The Company has constituted an Employee Stock Option Plan - XXXX. Employee Stock Options granted on or after 1 April, 2005 are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

Significant accounting policies (contd.)

Note	Particulars
<p>A.16</p>	<p>Borrowing costs</p> <p>Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.</p>
<p>A.17</p>	<p>Segment reporting</p> <p>The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.</p> <p>The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue / expenses / assets / liabilities.</p>
<p>A.18</p>	<p>Leases</p> <p>Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment. Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.</p>
<p>A.19</p>	<p>Earnings per share</p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares.</p>

Significant accounting policies (contd.)

Note	Particulars
	<p>which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate</p>
<p>A.20</p>	<p>Taxes on income</p> <p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p> <p>Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.</p>
<p>A.21</p>	<p>Research and development expenses</p> <p>Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.</p>
<p>A.22</p>	<p>Joint venture operations</p> <p>The accounts of the Company reflect its share of the Assets, Liabilities, Income and Expenditure of the Joint Venture Operations which are accounted on the basis of the audited accounts of the Joint Ventures on line-by-line basis with similar items in the Company's accounts to the extent of the participating interest of the Company as per the Joint Venture Agreements.</p>
<p>A.23</p>	<p>Impairment of assets</p> <p>The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.</p>

Significant accounting policies (contd.)

Note	Particulars
A.24	<p>Provisions and contingencies</p> <p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.</p>
A.25	<p>Provision for warranty</p> <p>The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.</p> <p>As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.</p>
A.26	<p>Share issues expenses</p> <p>Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is carried as an asset and is amortised over a period of 5 years from the date of the issue of shares.</p>
A.27	<p>Insurance claims</p> <p>Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.</p>
A.28	<p>Service tax input credit</p> <p>Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.</p>

INDEPENDENT AUDITORS' REPORT

To The Members Of Acropetal Technologies Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s. ACROPETAL TECHNOLOGIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the ACROPETAL Group"), its associates which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the 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 are 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 respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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.

Auditors' 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 qualified audit opinion on the consolidated financial statements.

As stated in the other matters paragraph below our opinion, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and associates neither audited by us nor by other auditors

as on the date of this report, are based on the financials given by the management.

Basis for Qualified Opinion:

In the case of the Holding company Acropetal Technologies Limited as given in the standalone report para, we have given the basis for regarding 'Going Concern' assumption and disqualification of directors.

Basis for Disclaimer Opinion:

In the case of subsidiary companies and associate companies, none of the financials are audited and hence we are unable to express any opinion on this.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified & disclaimer Opinion paragraphs above, 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 Group, its associates as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements / financial information of three subsidiaries namely Mindriver Information Technologies Pvt Ltd, Vision Info Inc, Acropetal Inc, and one associate namely Kinfotech Private Limited, whose financial statements / financial information reflect total assets of Rs.43,04,11,764/- as at 31st March, 2015, total revenues of Rs 13,17,33,325/- and net cash flows amounting to Rs 41,34,661/-
- (b) the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 2,09,78,79,245 /-for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of three subsidiaries and one associate, whose financial statements / financial information have not been audited by us. These financial statements

/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements / financial information.

Particulars	Mindriver Information Technologies Pvt Ltd	Acropetal Inc	Vision Info Inc	Kinfotech Pvt Ltd
Total Assets	1,53,82,558	35,66,47,380.00	74,319.69	5,83,07,506
Turnover	-	13,17,33,325.33	-	-
Profit after Taxation	29,10,100	-4,57,32,294.18	-24,14,56,072.90	-1,97,78,376

For K Gopalakrishnan & Co
Chartered Accountants
Firm's registration number: 009600S

K Gopalakrishnan
Proprietor
Membership number: 025421

Bangalore
29 May 2015

Consolidated Audited Balance Sheet as at 31st March,
in ₹

Particulars		Note#	2015	2014
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	38,89,03,580	38,89,03,580
	(b) Reserves and surplus	2	-1,24,20,47,107	1,73,15,16,449
			-85,31,43,527	2,12,04,20,029
2	Non-current liabilities			
	(a) Long-term borrowings	3	0	73,44,51,033
	(b) Deferred tax liabilities (net)		0	2,33,97,572
	(c) Long-term provisions	4	2,27,73,317	21,28,17,973
			2,27,73,317	97,06,66,578
3	Current liabilities			
	(a) Short-term borrowings	5	1,99,05,88,898	50,05,06,202
	(b) Trade payables	6	3,36,05,548	37,80,90,006
	(c) Other current liabilities	7	61,09,20,913	63,01,60,912
	(d) Short-term provisions	8	0	90,70,778
			2,63,51,15,360	1,51,78,27,899
	TOTAL LIABILITIES		1,80,47,45,150	4,60,89,14,506
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9 (i)	38,79,38,035	39,93,94,234
	(ii) Intangible assets	9 (ii)	41,60,79,568	84,78,29,388
	(iii) Intangible assets under development		0	32,76,64,159
	(iv) Goodwill		57,92,22,676	58,20,97,586
	(b) Non-current investments	10	4,20,00,000	9,90,00,000
	(c) Deferred tax assets (net)		3,64,10,631	2,22,668
	(d) Long-term loans and advances	11	15,04,12,617	15,42,65,093
2	Current assets			
	(a) Trade receivables	12	10,51,27,340	2,03,50,73,739
	(b) Cash and cash equivalents	13	74,24,093	46,57,325
	(c) Short-term loans and advances	14	8,01,30,190	3,83,70,126
	(d) Other current assets	15	0	12,03,40,188
			19,26,81,623	2,19,84,41,378
	TOTAL ASSETS		1,80,47,45,150	4,60,89,14,506

See accompanying notes forming part of the financial statements In terms of our report attached.

For K. Gopalakrishnan & Co.,
Chartered Accountants.
Firm Reg No: 009600S

Ravi Kumar D
Chairman & Managing Director

For and on behalf of the Board of Directors

Dr. Madhu Sudhana Reddy
Director

K.Gopalakrishnan.
Proprietor.
Membership No. 025421

Vijayendra R
Company Secretary

Place: Bangalore
Date: 29-May-2015

Statement of Consolidated audited Profit and Loss for the Year ended 31st March,
in ₹

Particulars		Note#	2015	2014
1	Revenue from operations (gross)	16	31,58,56,600	1,23,42,26,396
	Less: Excise duty		0	0
	Revenue from operations (net)		31,58,56,600	1,23,42,26,396
2	Expenses			
	(a) Changes in inventories, work-in-progress and stock-in-trade	18	0	72,20,688
	(b) Employee benefits expense	19	27,92,49,699	77,23,44,778
	(c) Other expenses	20	1,79,95,93,695	1,18,00,50,973
	Total		2,07,88,43,394	1,95,96,16,439
3	Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1 - 2)		-1,76,29,86,795	-72,53,90,043
4	Finance costs	21	20,15,54,657	14,98,92,500
5	Depreciation and amortisation expense	9	33,95,72,682	34,94,90,338
6	Other income	22	5,87,91,332	12,30,66,043
7	Profit / (Loss) before exceptional and extraordinary items and tax		-2,24,53,22,802	-1,10,17,06,838
8	Exceptional items	23	0	7,74,114
9	Prior period adjustments		7,01,42,258	4,28,86,575
10	Profit / (Loss) before extraordinary items and tax (7 ± 8)		-2,17,51,80,543	-1,05,95,94,377
11	Extraordinary items		0	0
12	Profit / (Loss) before tax		-2,17,51,80,543	-1,05,95,94,377
13	Tax expense:			
	(a) Current tax expense for current year		0	0
	(b) Current tax expense relating to prior years		0	0
	(c) Deferred tax		-8,77,83,837	25,76,366
			-8,77,83,837	25,76,366
14	Profit / (Loss) from continuing operations (11 ± 12)		-2,08,73,96,706	-1,06,21,70,743
15	Add: Share of Profit (+) / (loss) of Associates		-1,04,82,539	-19,76,73,593
16	Profit / (Loss) for the year (14 ± 15)		-2,09,78,79,245	-1,25,98,44,336

Statement of Consolidated audited Profit and Loss for the Year ended 31st March,

in ₹

Particulars		Note#	2015	2014
17.i	Earnings per share (of `Rs. 10/- each):			
	(a) Basic			
	(i) Continuing operations		-53.94	-32.39
	(ii) Total operations		-53.94	-32.39
	(b) Diluted			
	(i) Continuing operations		-53.94	-32.39
	(ii) Total operations		-53.94	-32.39
17.ii	Earnings per share (excluding extraordinary items) (of Rs 10/- each):			
	(a) Basic			
	(i) Continuing operations		-53.94	-32.39
	(ii) Total operations		-53.94	-32.39
	(b) Diluted			
	(i) Continuing operations		-53.94	-32.39
	(ii) Total operations		-53.94	-32.39

See accompanying notes forming part of the financial statements In terms of our report attached.

For K. Gopalakrishnan & Co.,
Chartered Accountants.
Firm Reg No: 009600S

K.Gopalakrishnan.
Proprietor.
Membership No. 025421

Place: Bangalore
Date: 29-May-2015

Ravi Kumar D
Chairman & Managing Director

Vijayendra R
Company Secretary

For and on behalf of the Board of Directors

Dr. Madhu Sudhana Reddy
Director

Cash Flow Statement for the year ended 31 March,
in ₹

Particulars	2015	2014
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	-2,17,51,80,543	-1,05,95,94,377
<i>Adjustments for:</i>		
Depreciation and amortisation	33,95,72,682	34,94,90,338
Finance costs	20,15,54,657	14,98,92,500
Interest & Dividend Income	0	-52,77,294
Prior period adjustments	0	0
Minority interest	1,04,82,539	-19,76,73,593
Operating profit / (loss) before working capital changes	-1,62,35,70,665	-76,31,62,426
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	0	0
Trade receivables	1,92,99,46,399	19,40,94,068
Short-term loans and advances	-4,17,60,064	2,19,43,059
Other current assets	12,03,40,188	9,33,62,919
Long-term loans and advances	38,52,476	63,80,42,831
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	-34,44,84,458	-21,39,11,912
Other current liabilities	-1,92,39,999	16,01,44,243
Short-term provisions	-90,70,778	-13,75,64,540
Long-term provisions	-62,12,96,192	19,53,68,052
Effect of exclusion of the financials of partially owned subsidiary*	-33,08,00,671	
Cash generated from operations	-93,60,83,765	18,83,16,294
Net income tax (paid) / refunds	0	0
Net cash flow from / (used in) operating activities (A)	-93,60,83,765	18,83,16,294
B. Cash flow from investing activities		
Purchase / Increase in Net Fixed Assets	-53,500	-19,91,11,264
Change in Capital Work-in-progress	32,76,64,159	-15,36,743
Investment in subsidiaries	5,70,00,000	30,00,000
Interest & Dividend Income received	0	52,77,294
Net cash flow from / (used in) investing activities (B)	38,46,10,659	-19,23,70,713

C. Cash flow from financing activities

in ₹

Proceeds from long-term borrowings	-73,44,51,033	8,39,18,820
Procees from Short-term borrowings	1,49,00,82,696	-2,22,96,224
Finance cost	-20,15,54,657	-14,98,92,500
Net cash flow from / (used in) financing activities (C)	55,40,77,005	-8,82,69,904
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	26,03,898	-9,23,24,323
Cash and cash equivalents at the beginning of the year	46,57,326	9,71,07,955
Effect of exchange differences on restatement of foreign currency	1,62,869	-1,26,306
Cash and cash equivalents at the end of the year	74,24,093	46,57,326

See accompanying notes forming part of the financial statements In terms of our report attached.

For K. Gopalakrishnan & Co.,
Chartered Accountants.
Firm Reg No: 009600S

Ravi Kumar D
Chairman & Managing Director

For and on behalf of the Board of Directors

Dr. Madhu Sudhana Reddy
Director

K.Gopalakrishnan.
Proprietor.
Membership No. 025421

Vijayendra R
Company Secretary

Place: Bangalore
Date: 29-May-2015

Notes forming part of the financial statements for the year ended 31st March,

Note 1 - Share capital

in ₹

Particulars	2015		2014	
	# of shares	Amount	# of shares	Amount
(a) Authorised Equity shares of Rs.10 each	4,00,00,000	40,00,00,000	4,00,00,000	40,00,00,000
(b) Issued, Subscribed and Paid up Equity shares of Rs.10 each	3,88,90,358	38,89,03,580	3,88,90,358	38,89,03,580
Total	3,88,90,358	38,89,03,580	3,88,90,358	38,89,03,580

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

in ₹

Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes (give details)	Closing Balance
<u>Equity shares with voting rights</u>								
Year ended March 31, 2015								
- Number of shares	3,88,90,358	0	0	0	0	0	0	3,88,90,358
- Amount in Rupees	38,89,03,580	0	0	0	0	0	0	38,89,03,580
Year ended March 31, 2014								
- Number of shares	3,88,90,358	0	0					3,88,90,358
- Amount in Rupees	38,89,03,580	0	0	0	0	0	0	38,89,03,580

Of the above, 16,000,000 (16,000,000) equity shares of Rs.10 each, fully paid up have been issued as bonus shares by capitalization of the retained profits

Details of shares held by each shareholder holding more than 5% shares:

in ₹

Class of shares / Name of shareholder	As at March 31, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Ravi Kumar D	1,08,05,300	27.78%	1,36,30,300	35.05%
Malini Reddy T	16,12,200	4.16%	34,12,200	8.77%

Note 2 - Reserves and surplus

in ₹

Particulars	2015	2014
(a) Securities premium account		
Opening balance	1,58,00,27,044	1,58,00,27,044
Add : Premium on shares issued during the year	0	0
	1,58,00,27,044	1,58,00,27,044
Less : Utilised during the year	0	0
Closing balance	1,58,00,27,044	1,58,00,27,044
(b) General reserve		
Opening balance	11,48,68,008	11,48,68,008
Add: Transferred from surplus in Statement of Profit and Loss	0	0
Closing balance	11,48,68,008	11,48,68,008
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	-24,11,76,785	1,01,86,67,551
Add: Profit / (Loss) for the year	-2,09,78,79,245	-1,25,98,44,336
	-2,33,90,56,030	-24,11,76,785
Less: Transferred from Fixed assets	16,66,29,129	0
Less: Opening P&L Balance (un realised profit)	43,12,51,536	0
Less: Transferred to general reserve	0	0
Closing balance	-2,93,69,36,695	-24,11,76,785
(d) Foreign Exchange Reserves account		
Opening Balance	27,77,98,182	33,19,44,356
Changes	-27,78,03,646	-5,41,46,174
Closing balance	-5,464	27,77,98,182
Total	-1,24,20,47,107	1,73,15,16,449

Note 3 - Long term borrowings

Particulars	2015	2014
(a) Term loans from Banks		
Secured	0	34,29,92,769
Unsecured	0	39,14,58,264
	0	73,44,51,033
(b) Loans and advances from related parties		
Secured	0	0
Unsecured	0	0
	0	0
(c) Long-term maturities of finance lease obligations		
Secured	0	0
Unsecured	0	0
Total	0	73,44,51,033

Note: The long term loans availed by the company have been classified as NPA by the banks . Hence these loans are regrouped under short term borrowings.

B.3a Long-term borrowings (contd.)

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

in ₹

Particulars	As at March 31st, 2015	
	Secured	Unsecured
<u>Term loans from banks:</u>		
South Indian Bank	0	0
United Bank of India	0	0
Bank Of India	0	0
UPS Capital	0	0
Total - Term loans from banks	0	0

Primary security for term loans from banks are Fixed Assets (Tangible & Intangible) of the Company and collateral security comprises of property & personal guarantee of Directors

Long term loans are repayable within of 3 to 5 years from June 30, 2013. Rate of Interest on these loans is ranging from 10% to 18% p.a.

(ii) Details of long-term borrowings guaranteed by some of the directors:

in ₹

Particulars	As at March 31st, 2014	
	Secured	Unsecured
<u>Term loans from banks:</u>		
South Indian Bank	13,26,93,893	0
United Bank of India	17,56,58,842	0
Bank Of India	3,46,40,034	0
UPS Capital		39,14,58,264
Total - Term loans from banks	34,29,92,769	39,14,58,264

Note 4 - Long term provisions

in ₹

Particulars	2015	2014
Provision for employee benefits:		
(i) Compensated absences	13,75,472	32,04,227
(ii) Gratuity (net)	1,09,15,306	1,19,40,153
(iii) Share of Profit (+) / (loss) of Associates	1,04,82,539	19,76,73,593
Total	2,27,73,317	21,28,17,973

Note 5 - Short-term borrowings

in ₹

Particulars	2015	2014
(a) Loans repayable on demand		
From banks		
Secured	1,862,758,297	484,048,216
Unsecured	101,020,088	6,564,744
	1,963,778,385	490,612,960
(b) Loans and advances from related parties		
Secured		
Unsecured	26,810,513	9,893,242
Total	1,990,588,898	500,506,202

Notes:

(i) Details of security for the secured short-term borrowings:

in ₹

Particulars	Nature of security	2015	2014
<u>Loans repayable on demand from banks</u>			
AXIS Bank-CC	Working capital loans are secured by the current assets of the company with interest rates ranging from 12% to 15%	11,58,65,171	10,13,71,806
Central Bank Of India		12,00,21,011	10,12,08,054
Packing Credit-SBT	Long term borrowings moved to short term borrowings as these loans have been classified as NPA by the banks and these loans continued to have the same hypothecation of properties as collateral securities and personal guarantee of the Directors.	29,39,73,703	25,80,03,017
United Bank Of India		40,36,85,905	0
UPS Capital		41,55,39,130	0
SBI Global Factors Ltd.		9,92,18,413	0
ICICI Bank Ltd		2,67,50,495	2,34,65,339
South Indian Bank		15,08,03,416	0
United Bank of India	Bills discounted with SBI Global Factors Ltd in the previous years could not be realised and have become the liability of the company during the year.	19,96,32,045	0
Bank Of India		3,72,69,007	0
Total		1,86,27,58,297	48,40,48,216

Details of unsecured loans from Financial Institutions repayable on demand:

Particulars	Nature of security	2015	2014
Ravi Kumar D		5,90,24,839	0
Indiafactorings Limited		2,13,08,525	0
Indian Overseas Bank		74,60,675	65,64,744
From ITRIA		1,32,26,049	0
Total		10,10,20,088	65,64,744

Note 6 - Trade payables

Particulars	2015	2014
Trade payables:		
Acceptances	0	0
Other than Acceptances	3,36,05,548	37,80,90,006
Total	3,36,05,548	37,80,90,006

Note 7 - Other current liabilities

Particulars	2015	2014
Statutory liabilities	13,78,48,720	12,51,17,984
Expenses payable	14,63,66,487	18,69,61,730
Advances from customers	16,82,878	52,97,759
Advances from other parties	22,60,56,056	22,49,90,000
Income Tax Payables	2,88,80,853	47,80,246
Unpaid Dividend account	4,05,03,758	3,98,48,383
Unclaimed Dividend	4,44,656	4,44,656
Security deposit received	1,20,337	32,46,320
Others	2,90,17,168	3,94,73,835
Total	61,09,20,913	63,01,60,912

Note 8 - Short term provisions*in ₹*

Particulars	2015	2014
(i) Provision for tax	0	90,70,778
(ii) Provision - others (For Minority Int)	0	0
Total	0	90,70,778

Note 9 - Fixed assets

in ₹

Description	Gross block				Depreciation Block				Net Block	
	1st April 2014	Additions	Disposals	Adjustments	31st March 2015	1st April 2014	Additions	Disposals	31st March 2015	31st March 2014
<u>(i) Tangible assets (A)</u>										
(a) Freehold Land	2,42,36,995	0	0	0	2,42,36,995	0	0	0	2,42,36,995	2,42,36,995
(b) Buildings	46,69,22,386	0	0	0	46,69,22,386	11,51,64,134	1,73,51,749	0	33,44,06,503	35,17,58,252
(c) Plant and Equipment	8,42,64,308	0	0	2,31,047	8,40,33,261	7,68,07,631	40,51,618	0	31,74,012	74,56,677
Computers & Accessories	2,27,06,914	0	0	2,88,228	2,24,18,686	1,47,97,050	23,48,939	0	52,72,697	79,09,864
(d) Furniture and Fixtures	1,33,45,264	53,500	0	26,28,405	1,07,70,359	53,88,710	25,21,840	0	28,59,809	79,56,554
(e) Office equipment	6,17,927	0	0	0	6,17,927	5,42,035	0	0	75,892	75,892
(d) Vehicles	61,20,93,794	53,500	0	31,47,680	60,89,99,614	21,26,99,560	2,62,74,147	0	37,00,25,908	39,93,94,234
<u>(ii) Intangible assets (B)</u>										
(a) Computer software	1,34,37,22,365	0	0	14,78,92,193	1,19,58,30,172	1,01,19,57,542	18,38,72,630	0	1,19,58,30,172	33,17,64,823
(b) Product Development Cost	59,99,09,980	0	0	0	59,99,09,980	8,38,45,415	9,99,84,997	0	41,60,79,568	51,60,64,565
(c) Goodwill	60,30,53,476				60,30,53,476	2,09,55,890	28,74,910	0	57,92,22,676	58,20,97,586
	2,54,66,85,821	0	0	14,78,92,193	2,39,87,93,628	1,11,67,56,847	28,67,32,537	0	99,53,02,245	1,42,99,26,974
Total (A) + (B)	3,15,87,79,615	53,500	0	15,10,39,873	3,00,77,93,242	1,32,94,58,406	31,30,06,683	0	1,36,53,28,152	1,82,93,21,209
Previous year	2,85,28,68,515	23,40,44,330	5,82,96,815	12,45,49,021	3,15,87,79,615	1,00,33,31,818	34,94,90,337	2,33,63,749	1,82,93,21,209	

Note: The company has worked out the depreciation based on the useful life of the assets as per schedule II which has resulted in increase in depreciation/ amortisation and to that extent the profit is understated. The net asset value of the assets whose useful life is nil as of 1st April 2014, were transferred to the Reserves & Surplus account.

Note 10 - Non-current investments
in ₹

Particulars	2015	2014
Investment in equity instruments - Unquoted (at cost)		
Associates		
Binary Spectrum Softech P Limited.	4,20,00,000	5,10,00,000
[3360 Equity Shares of Rs.10/- each fully Paid valued at Rs.12500/- each] (Previous year: 4080 Shares of ` 10/- each fully Paid valued at Rs.12500/- each)		
Kinfotech Pvt. Ltd		
[480,000 Shares of Rs.10/- at a premium of Rs.90/- per share each fully paid] (previous year: NIL)	0	4,80,00,000
	4,20,00,000	9,90,00,000
Investment in government securities	0	0
Total	4,20,00,000	9,90,00,000

Note 11 - Long term loans and advances

Particulars	2015	2014
(a) Security deposits		
Secured, considered good	0	0
Unsecured, considered good	44,63,645	55,02,428
Doubtful	0	0
	44,63,645	55,02,428
Less: Provision for doubtful deposits	0	0
	44,63,645	55,02,428
(b) Loans and advances to employees		
Secured, considered good	0	0
Unsecured, considered good	28,77,928	25,66,907
Doubtful	0	0
	28,77,928	25,66,907
Less: Provision for doubtful loans and advances	0	0
	28,77,928	25,66,907
(c) MAT credit entitlement # - Unsecured, considered good	9,44,26,270	9,44,26,270
(d) Other loans and advances (specify nature)		
Advances- Associates	4,76,94,775	4,75,44,775
Unsecured, considered good	9,50,000	42,24,714
Doubtful	0	0
	4,86,44,775	5,17,69,489
Less: Provision for other doubtful loans and advances	0	0
	4,86,44,775	5,17,69,489
Less: Inter company transactions	0	0
Total	15,04,12,617	15,42,65,093

Note 12 - Trade receivables

in ₹

Particulars	2015	2014
Trade receivables outstanding for a period exceeding six months from the date they were due for payment #		
Secured, considered good		
Unsecured, considered good	2,65,12,795	1,64,16,83,909
Doubtful	1,23,23,23,701	90,16,97,448
	1,25,88,36,496	2,54,33,81,357
Less: Bad debt written off	1,23,23,23,701	90,16,97,448
	2,65,12,795	1,64,16,83,909
Other Trade receivables		
Secured, considered good	0	0
Unsecured, considered good	7,86,14,545	39,33,89,830
Doubtful	0	0
	7,86,14,545	39,33,89,830
Less: Provision for doubtful trade receivables	0	0
	7,86,14,545	39,33,89,830
Total	10,51,27,340	2,03,50,73,739

Note 13 - Cash and cash equivalents

Particulars	2015	2014
(a) Cash on hand	1,26,232	1,52,472
(b) Balances with banks		
(i) In current accounts	63,15,947	7,24,733
(ii) In EEFC accounts	469	29,87,464
(iii) In deposit accounts	2,81,000	92,211
(iv) Unpaid dividend accounts	7,00,446	7,00,446
Total	74,24,093	46,57,325

Note 14 - Short term loans and advances

Particulars	2015	2014
(a) Loans and advances to related parties		
Unsecured, considered good	0	17,62,607
(b) Security deposits		
Unsecured, considered good	50,52,897	40,27,607
(c) Loans and advances to employees		
Unsecured, considered good	3,25,781	0
(d) Prepaid expenses	7,45,024	10,08,633
(e) Balances with government authorities		
TDS - Income tax / Service Tax / VAT	2,22,61,513	2,13,09,353
Income Tax refund	3,90,67,101	67,20,136
(f) Inter-corporate deposits	0	0
(g) Others		
Secured, considered good	0	0
Unsecured, considered good	1,26,77,874	35,41,790
Total	8,01,30,190	3,83,70,126

Note 15 Other current assets

in ₹

Particulars	2015	2014
(a) Unbilled revenue	0	8,37,83,926
(b) Balances held as margin money or security against borrowings, guarantees and other commitments	0	3,65,56,262
Total	0	12,03,40,188

Notes forming part of the financial statements for the year ended 31st March,

Note 16 - Revenue from operations

Particulars	2015	2014
(a) Sale of products	0	0
(b) Sale of services	31,58,56,600	1,23,42,26,396
	31,58,56,600	1,23,42,26,396
Less: Excise duty	0	0
Total	31,58,56,600	1,23,42,26,396

Particulars	2015	2014
(i) Sale of products		
Hardware	0	0
Software	0	0
Total - Sale of products	0	0
(ii) Sale of services		
Technical Services Outsourcing	7,66,16,510	9,11,89,468
Technical Export Services	23,92,40,090	1,14,30,36,928
Total - Sale of services	31,58,56,600	1,23,42,26,396

Note 17 - Purchase of traded goods

Particulars	2015	2014
Softwares Licenses & updates	0	0
Hardwares & Perhiperals	0	0
Total	0	0

Note 18 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	2015	2014
<u>Inventories at the end of the year:</u>		
Unbilled Revenue	0	0
Traded goods Hardwares & Perhiperals	0	0
	0	0
<u>Inventories at the beginning of the year:</u>		
Unbilled Revenue	0	72,20,688
	0	72,20,688
Net (increase) / decrease	0	72,20,688

Note 19 - Employee benefits expense

in ₹

Particulars	2015	2014
Salaries and wages	23,06,34,820	25,66,65,821
Directors Remunerations	0	48,00,000
Contributions to provident and other funds	61,27,673	5,60,03,856
Onsite project expenses	0	42,96,55,646
Subcontracting	3,73,01,210	2,05,83,204
Staff welfare expenses	51,85,996	46,36,251
Total	27,92,49,699	77,23,44,778

Note 20 - Other expenses

Particulars	2015	2014
Power and fuel & Water	28,72,927	31,11,025
Rent including lease rentals	86,01,845	1,20,43,471
Repairs and maintenance - Buildings	72,36,115	1,15,52,179
Insurance	65,42,284	76,71,269
Rates and taxes	84,33,549	45,07,811
Communication	16,53,800	24,60,801
Travelling and conveyance	34,51,493	59,44,801
Printing and stationery	9,39,497	8,18,343
Freight and forwarding	0	30,296
Listing Fee	3,30,112	1,54,728
Business promotion	8,84,108	36,13,643
Sitting fee	0	3,40,000
Other Administration Expenses	16,91,544	40,12,082
Miscellaneous expenses	90,882	2,76,105
Loss On sale of Assets	0	1,23,30,764
Loss On sale of Shares	0	25,50,000
Legal and professional	1,41,81,590	54,41,752
Bad advance written off	11,23,62,341	20,01,94,455
Payments to auditors	5,00,000	13,00,000
Provision for doubtful debts and loans	1,62,98,21,607	90,16,97,448
Total	1,79,95,93,695	1,18,00,50,973

Note 21 - Finance costs

Particulars	2015	2014
<u>Interest expense on:</u>		
(a) Term loan	9,86,52,249	6,60,81,417
(b) Working capital	8,03,70,392	5,92,21,778
(c) Finance charges	2,22,99,321	2,05,44,428
(d) Bills discount charges	0	20,61,213
(e) Bank Charges	2,32,695	19,83,664
Total	20,15,54,657	14,98,92,500

Note 22 - Other income*in ₹*

	Particulars	2015	2014
(a)	Interest income	0	10,05,603
(b)	Dividend income:		
	from current investments	0	0
	others	0	0
(e)	Net gain on foreign currency transactions and translation (other than considered as finance cost)	5,83,78,666	11,77,88,749
(f)	Other non-operating income (net of expenses directly attributable to such income)	4,12,666	42,71,691
	Total	5,87,91,332	12,30,66,043

Note 23 - Exceptional items

	Particulars	2015	2014
	HR Tracker amortization considered as deferrred revenue expenditure	0	7,74,114
	Total	0	7,74,114

Note 24

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Details of Forex inward & outwards for the FY 2014-15*in ₹*

Particulars	Current Year			Previous Year		
	USD	EURO	INR	USD	EURO	INR
Inwards from Export of software services	1,694,197	0	106,039,805	4,226,309	0	253,616,569
Outward						
For Onsite development exp.	0	0	0	1,857,800	0	106,406,302
For Software purchases	0	0	0	0	0	0
For Overseas office expansion, travelling and business promotion	0	0	0	0	33,682	2,635,980

Managerial Remuneration

D Ravi Kumar	Nil	(Previous Year Rs. 50,88,000/-)
--------------	-----	---------------------------------

Contingent LiabilitiesContingent Liabilities

- Corporate Guarantee in favor of UPS Capital Business Credit main office situated at 425 Dat Halli Road, Windsor, Connecticut, U.S.A. 06095 for loan availed by Vision Info Inc. the outstanding amount of Rs. 4,155.39 lakhs - USD 6,638,980. (Previous Year the outstanding amount is Rs. 3887.69 lakhs - USD 6,468,813)
- Corporate guarantee towards Mindriver Information Technologies Limited having facility with ICICI bank ,outstanding Rs. 267.50 lakhs (Previous year Rs. 234.65 Lakhs)
- Outstanding guarantees and counter guarantees is Nil (Previous Year nil)

Employee benefit plans**Defined contribution plans**

Defined contribution plans : The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 53,19,177/- (Year ended 31 March, 2014 Rs.70,63,375/-) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

- Gratuity: An amount of Rs. Nil - has been recognised in the Statement of Profit and Loss for the year ended March 31, 2015 towards Gratuity based on Actuarial Valuation. (Net liability recognised is Balance Sheet : Rs. 71,16,121/-)
- Compensated absences : An amount of Rs. Nil has been recognised in the Statement of Profit and Loss for the year ended March 31, 2015 towards compensated absences based on Actuarial valuation (Net liability recognised in Balance Sheet : Rs. 13,75,472)

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Actuarial assumptions	
Discount rate	8.00%
Salary escalation	6.00%
Attrition	5.00%
Mortality tables	LIC (94-96) Ultimate Mortality Table

Details of related parties:

Description of relationship	Names of related parties
Associates	Binary Spectrum Softech Pvt. Ltd.
Key Management Personnel (KMP)	Mr. D.Ravi Kumar
Relatives of KMP	Mrs. Malini Reddy (w/o Mr.D. Ravi Kumar)

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:

Particulars	<i>in ₹</i>			
	Subsidiaries	KMP	Relatives of KMP	Total
Receiving of services				
Rent Office - Malini Reddy	-	-	2,739,852	2,739,852
Loans and advances				
Binary (net)	(150,000)	-	-	(150,000)
Ravi Kumar.D	-	7,864,979	-	7,864,979
<u>Balances outstanding at the end of the year</u>				
Loans and advances (Receivables)				
Binary	47,694,775	-	-	47,694,775
Loans and advances (Payable)				
Ravi Kumar.D (Payable)	-	17,712,797	-	17,712,797

Name of the Subsidiaries	% of Holding	
	31-Mar-15	31-Mar-14
Mindriver Information Technologies Pvt, Ltd	100%	100%
Kinfotech Pvt, Ltd	48%	48%
Vision Info Inc,	100%	100%
Acropetal Inc	100%	100%

During the previous year the financials of partially owned subsidiary has not been included in the consolidated financials.

Earnings Per Share

Particulars	<i>in ₹</i>	
	For the year ended 31-Mar-15	For the year ended 31-Mar-14
a. Basic		
<u>(i) Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	(2,097,879,245)	(1,259,844,336)
Less: Preference dividend and tax thereon	0	0
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	(2,097,879,245)	(1,259,844,336)
Weighted average number of equity shares	38,890,358	38,890,358
Par value per share	10	10
Earnings per share from continuing operations - Basic	(53.94)	(32.39)

<u>(ii) Total operations</u>		
Net profit / (loss) for the year	(2,097,879,245)	(1,259,844,336)
Less: Preference dividend and tax thereon	0	0
Net profit / (loss) for the year attributable to the equity shareholders	(2,097,879,245)	(1,259,844,336)
Weighted average number of equity shares	38,890,358	38,890,358
Par value per share	10	10
Earnings per share - Basic	(53.94)	(32.39)
<u>b. Basic (excluding extraordinary items)</u>		
<u>(i) Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	(2,097,879,245)	(1,259,844,336)
(Add) / Less: Extraordinary items (net of tax) relating to continuing operations	0	0
Less: Preference dividend and tax thereon	0	0
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	(2,097,879,245)	(1,259,844,336)
Weighted average number of equity shares	38,890,358	38,890,358
Par value per share	10	10
Earnings per share from continuing operations, excluding extraordinary items - Basic	(53.94)	(32.39)
<u>(ii) Total operations</u>		
Net profit / (loss) for the year	(2,097,879,245)	(1,259,844,336)
(Add) / Less: Extraordinary items (net of tax)	-	-
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	(2,097,879,245)	(1,259,844,336)
Weighted average number of equity shares	38,890,358	38,890,358
Par value per share	10	10
Earnings per share, excluding extraordinary items - Basic	(53.94)	(32.39)

Deferred tax (liability)/asset as at 31st March 2015

Particulars	Amount
Deferred tax (liability) / asset	(23,174,903.00)
<u>Tax effect of items constituting deferred tax liability</u>	
On difference between book balance and tax balance of fixed assets	87,783,837.00
Deferred tax amount of the partially owned subsidiary not consolidated in the previous year.	(28,198,303.00)
Tax effect of items constituting deferred tax liability	
<u>Tax effect of items constituting deferred tax assets</u>	
Provision for compensated absences, gratuity and other employee benefits	-
Tax effect of items constituting deferred tax assets	
Net deferred tax (liability) / asset	36,410,631.00

Segment Revenue 2014-15
in ₹

Business Segment	Engineering Design	Information Technology Services	Health Care	Total	
Income	75,090,335	240,766,265	-	315,856,600	
Expenditure	71,335,818	207,913,881	-	279,249,699	
Allocated General Expenses	22,114,104	1,908,891,990	-	1,931,006,094	
Segmental Operating Income	(18,359,587)	(1,876,039,606)	-	(1,894,399,193)	
Unallocable Expenses				339,572,682	
Operating Income				(2,233,971,875)	
Other Income				58,791,332	
Net Profit Before Taxes				(2,175,180,543)	
Income Taxes				(87,783,837)	
Net Profit After Taxes				(2,087,396,706)	
Geographic Segment	United States	Middle East	Europe	Asia	Total
Income	137,799,609	75,090,335	31,395,175	71,571,481	315,856,600
Expenditure	103,349,707	71,335,818	23,546,381	81,017,793	279,249,699
Allocated General Expenses	193,100,609	598,611,889	366,891,158	772,402,438	1,931,006,094
Segmental Operating Income	(158,650,707)	(594,857,372)	(359,042,364)	(781,848,749)	(1,894,399,193)
Unallocable Expenses					339,572,682
Operating Income					(2,233,971,875)
Other Income					58,791,332
Net Profit Before Taxes					(2,175,180,543)
Income Taxes					(87,783,837)
Net Profit After Taxes					(2,087,396,706)

Segment Revenue 2013-14 (Previous year)

Business Segment	Engineering Design	Information Technology Services	Health Care	Total	
Income	222,160,751.00	961,956,053.00	50,109,592.00	1,234,226,396.00	
Expenditure	144,404,488.00	595,369,055.00	32,571,234.00	772,344,777.00	
Allocated General Expenses	48,875,365.00	1,202,809,068.00	42,593,153.00	1,294,277,586.00	
Segmental Operating Income	28,880,898.00	(836,222,070.00)	(25,054,795.00)	(832,395,967.00)	
Unallocable Expenses				350,264,453.00	
Operating Income				(1,182,660,420.00)	
Other Income				123,066,043.00	
Net Profit Before Taxes				(1,059,594,377.00)	
Income Taxes				2,576,366.00	
Net Profit After Taxes				(1,062,170,743.00)	
Geographic Segment-2013-14	United States	Middle East	Europe	Asia	Total
Income	660,804,813.00	367,429,198.00	105,649,779.00	100,342,606.00	1,234,226,396.00
Expenditure	461,029,682.00	202,086,059.00	57,050,881.00	52,178,155.00	772,344,777.00
Allocated General Expenses	1,120,302,130.00	134,368,156.00	19,596,978.00	20,010,322.00	1,294,277,586.00
Segmental Operating Income	(920,526,999.00)	30,974,983.00	29,001,920.00	28,154,129.00	(832,395,967.00)
Unallocable Expenses					350,264,453.00
Operating Income					(1,182,660,420.00)
Other Income					123,066,043.00
Net Profit Before Taxes					(1,059,594,377.00)
Income Taxes					2,576,366.00
Net Profit After Taxes					(1,062,170,743.00)

As the assets of the Company are used interchangeably between the segments as also the liabilities contracted are not ascertainable to any specific segment, reporting of Segmental Assets is not considered feasible.

Notes forming part of the financial statements - Company Information & Significant Accounting Policies

Note	Particulars
	<p>Corporate information</p> <p>Established in 2001, Acropetal Technologies is a business technology Solutions Company headquartered in India providing on-demand innovative solutions in the verticals of Education, Healthcare, Manufacturing CPG & Retail, Government & Citizen Services, Energy & Environment, and Engineering & Infrastructure. Acropetal Technologies Limited is currently a public traded company on Indian Stock Exchanges. Our mission is to continuously energize innovation excellence by concurrently driving strategic imperatives for mind to market (M2M) and time to market (T2M) mutually inclusively; facilitating transformation and growth for our customer universe. We create value through a delivery of business solutions on-Demand in real time at the rate of use for a fixed price; as a product, process, service and/or platform. We reach out to our consumers globally and have a presence in India, North & South America, Europe, UK and Middle East.</p>
A	Significant accounting policies (Illustrative)
A.1	Basis of accounting and preparation of financial statements
	<p>The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.</p>
A.2	Use of estimates
	<p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p>
A.3	Inventories
	<p>Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.</p>
A.4	Cash and cash equivalents (for purposes of Cash Flow Statement)
	<p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p>
A.5	Cash flow statement
	<p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
A.6	Depreciation and amortisation
	<p>Depreciation and amortisation have been provided on written down value at the rates specified in Schedule XIV of Companies Act, 1956.</p>

Significant accounting policies (contd.)

Note	Particulars
A.7	<p>Revenue recognition</p> <p><u>Sale of goods</u></p> <p>Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.</p> <p><u>Income from services</u></p> <p>Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable. Revenues from maintenance contracts are recognised pro-rata over the period of the contract.</p>
A.8	<p>Other income</p> <p>Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.</p>
A.9	<p>Tangible fixed assets</p> <p>Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.</p> <p>Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.</p> <p>Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.</p> <p><u>Capital work-in-progress:</u></p> <p>Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.</p>
A.10	<p>Intangible assets</p> <p>Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.</p>

Significant accounting policies (contd.)

Note	Particulars
<p>A.11</p>	<p>Foreign currency transactions and translations</p> <p><u>Initial recognition</u></p> <p>Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.</p> <p><u>Measurement of foreign currency monetary items at the Balance Sheet date</u></p> <p>Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.</p> <p><u>Treatment of exchange differences</u></p> <p>Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a “Foreign currency translation reserve” until disposal / recovery of the net investment. The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as “Foreign currency monetary item translation difference account” net of the tax effect thereon.</p> <p><u>Accounting of forward contracts</u></p> <p>Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Refer Notes 2.26 and 2.27 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.</p>
<p>A.12</p>	<p>Government grants, subsidies and export incentives</p> <p>Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.</p> <p>Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.</p> <p>Government grants in the nature of promoters’ contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value. Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.</p>

Significant accounting policies (contd.)

Note	Particulars
A.13	Investments Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.
A.14	Employee benefits Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits. <u>Defined contribution plans</u> The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made. <u>Defined benefit plans</u> For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.
A.15	Employee share based payments The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period. [OR] The Company has constituted an Employee Stock Option Plan - XXXX. Employee Stock Options granted on or after 1 April, 2005 are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

Significant accounting policies (contd.)

Note	Particulars
A.16	Borrowing costs <p>Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.</p>
A.17	Segment reporting <p>The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.</p> <p>The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue / expenses / assets / liabilities.</p>
A.18	Leases <p>Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment. Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.</p>
A.19	Earnings per share <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares.</p>

Significant accounting policies (contd.)

Note	Particulars
	<p>which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate</p>
<p>A.20</p>	<p>Taxes on income</p> <p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p> <p>Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.</p>
<p>A.21</p>	<p>Research and development expenses</p> <p>Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.</p>
<p>A.22</p>	<p>Joint venture operations</p> <p>The accounts of the Company reflect its share of the Assets, Liabilities, Income and Expenditure of the Joint Venture Operations which are accounted on the basis of the audited accounts of the Joint Ventures on line-by-line basis with similar items in the Company's accounts to the extent of the participating interest of the Company as per the Joint Venture Agreements.</p>
<p>A.23</p>	<p>Impairment of assets</p> <p>The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.</p>

Significant accounting policies (contd.)

Note	Particulars
A.24	Provisions and contingencies <p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.</p>
A.25	Provision for warranty <p>The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.</p> <p>As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.</p>
A.26	Share issues expenses <p>Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is carried as an asset and is amortised over a period of 5 years from the date of the issue of shares.</p>
A.27	Insurance claims <p>Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.</p>
A.28	Service tax input credit <p>Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.</p>

ACROPETAL TECHNOLOGIES LIMITED

Corporate Identification Number (CIN) – L72900KA2001PLC028944

Registered Office: #74/75, 3rd Main, 1st Cross, NS Palya, Bannerghatta Road, Bangalore – 560076

Phone: 080-49084000 Fax: 080-49084100 Email: ir@acropetal.com Website: www.acropetal.com

ATTENDENCE SLIP

(To be presented at the entrance)

14th Annual General Meeting at 10 AM on Tuesday the 24th November, 2015 at the Registered Office of the Company at #74/75, 3rd Cross, 1st Main, NS Palya, Bannerghatta Road, Bangalore – 560076.

Folio No.....DP ID No.....Client ID No.....

Name of the member.....signature.....

Name of the proxyholder.....signature.....

- 1. Only Member / Proxyholder can attend the meeting
- 2. Member / Proxyholder should bring his/her copy of the Annual Report for reference at the meeting



ACROPETAL TECHNOLOGIES LIMITED

Corporate Identification Number (CIN) – L72900KA2001PLC028944

Registered Office : #74/75, 3rd Main, 1st Cross, NS Palya, Bannerghatta Road, Bangalore – 560076

Phone: 080-49084000 Fax : 080-49084100 Email : ir@acropetal.com Website : www.acropetal.com

**Form No. MGT 11
PROXY FORM**

(Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :

Registered address :

Email ID :

Folio No./Client ID :

I/We, being the member(s) ofshares of Acropetal Technologies Limited, hereby appoint

1. Name :E-mail Id.....

Address:

.....Signature:

or failing him

2. Name :E-mail Id.....

Address:

.....Signature:

or failing him

3. Name :E-mail Id.....

Address:

.....Signature:



Continued...

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held on 24th November, 2015 the Registered Office of the Company at # 74/75, 3rd Cross, 1st Main, N S Palya, Bannerghatta Road, Bangalore – 560076 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary business				
1	Adoption of audited standalone and consolidated financial statements together with Report of Board of Directors and Auditors for the year ended March 31, 2015.			
2	To appoint Mr. D. Ravi Kumar who retires by rotation and being eligible, offers himself for re-appointment.			
3	To ratify the appointment of M/s. K Gopalakrishnan & Co, Chartered Accountants, Bangalore as Statutory Auditors of the Company.			
Special business				
4	Re-Appointment of Managing Director			
5	Disposal off entire investment held in wholly owned subsidiary Acropetal Inc, USA.			

Signed thisday of.....2015

Signature of shareholder.....Signature of proxy holder(s).....

Affix Revenue Stamp

Notes:

1. This form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

Safe Harbour

Certain statements made in this Annual Report describing the Company's objectives, projections, estimates, expectations or predictions may be "Forward-Looking statements" within the meaning of applicable Securities laws and regulations. There are a number of risks, uncertainties and other factors that could cause actual results to be materially different from the management's current expectations and forecasts. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand, change in Government regulations, tax regimes, supply and price conditions in the domestic and overseas markets in which the Company conducts business and other incidental factors. The Company undertakes no obligation to update the forward-looking statements to reflect subsequent events or circumstances. All company names, brand names, trademarks, and logos used in this document are the properties of their respective owners.

Book Post

if undelivered please return to...
Acropetal Technologies Limited
Regd Office:
#74/75, 3rd Cross 1st Main,
N S Palya, Bannerghatta Road,
Bangalore- 560 076.