



TWENTY FOURTH ANNUAL REPORT

2014-15

Accentia Technologies Limited



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VISION

Become a global leader in the 21st century healthcare and education solutions & services market through innovations in both technology and process areas.

MISSION

To create a globally reputed organization that provides state-of-the-art technology cum service platform and solutions for the healthcare and education sectors, that results in a highly efficient and profitable system for providers world over, where people enjoy working for, doing business with and investing in.

REMODELLING THE BUSINESS...

The Financial Years between 2012-13 and 2014-15 has changed the way Accentia has been conducting business over the past 17 years in the healthcare domain. As the new Obamacare policy in the US demanded new modus operandi to be followed in the healthcare document creation, storage and management, Accentia's business in the Clinical Data Management, mainly in the Medical Documentation and revenue cycle management arena in the USA has been severely affected. The management after assessing the latest developments in the healthcare domain in the US and after due evaluation of the potential of growth of business in the enterprise products/ platform for healthcare domain, have decided to a) focus on Enterprise Products market in the healthcare arena, b) shift the focus from the Business to Customer (B to C) model to Business to Business (B to B), and c) explore entry into niche areas in the field of other IT enabled areas leveraging on the domain expertise and intellectual properties gained over the years. As this is a clear deviation from the business model followed in the last 17 years in healthcare, a strategy was formed by which we will focus on White Labelled Software Products for Practice Management System(PMS), Electronic Medical Records(EMR), Receivables Cycle Management(RCM), Code Scrubbing, Discrete Reportable Transcription(DRT) etc.; Platform As A Service(PaaS) in which our platform will be leased out to Companies for managing their clients with no start up cost; and Safecomm, safety communication device for women and children. However, the transition so far has been slower than planned due various factors. The progress is expected to be faster from now on as the company has been able to build a foundation for growth in the new areas.



Your Company is taking every step to make it lean and mean and focus on a scalable, sustainable and bottom-line centric growth in the new highly dynamic and evolving IT market place globally.

MESSAGE FROM THE CEO

Dear Shareholders,

It is with pleasure that I am presenting before you a note on the affairs of your Company for the financial year 2014-'15.

For the year ended 31.03.2015, Accentia recorded revenues of Rs 580 lakhs over Rs 3,916 lakhs recorded last year. Net loss increased from Rs 1563 lakhs last year to Rs 1775 lakhs this fiscal. I would like to briefly dwell upon the activities of your Company during the last financial year.

Our Company has been focussing on the rebuilding process leveraging on the inherent strengths in its domain areas and technology platforms that have been developed over the years. The FY 2014-15 has been an year where the top management of the company put their efforts in building a strong foundation for a steady and sustainable growth over the next 10 years. The sudden downfall of healthcare backoffice business after the change in US government policy has severely affected our financials. This has led to initiating settlement talks with various authorities including financial institutions to settle our companies' liabilities.

I should mention here that the employees of the Company in the different units in India and abroad have been very supportive and understanding during this transition phase. Without their dedication and hard work, the Company could not have adapted to the new requirements in this short time, and I take this opportunity to thank all our past and present employees of the Company.

I also take this opportunity to thank all the shareholders for their continued faith in the Company and the understanding they have shown during the past year of painful transition. I am sure that with your support and faith in the management, we can scale new heights together in the near future.

Sooraj C. K.
Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Sooraj C.K.
Managing Director

Dr K. Balasubramani
Independent Director

Mr Pradeep Viswambharan
Non Independent Director

Mr Bobichen Jacob Thomas
Independent Director

Mr Sudeepa Nagasampagi
Independent Director

Registered Office
D-207, Second Floor
International Infotech Centre
Belapur Railway Station Complex
CBD Belapur, Navi Mumbai
Mumbai 400 614

Company Secretary & Compliance Officer
Mr. Jose George, Company Secretary

Auditors
M/s. DMKH & Co, Chartered Accountants

Registrar & Transfer Agents
Sharex Dynamics (India) Private Limited
17-B, Dena Bank Building, 2nd Floor
Horniman Circle, Fort, Mumbai 400 001

Bankers
Exim Bank, ICICI Bank, Axis Bank,
Federal Bank, Dhanalakshmi Bank

Facilities

Trivandrum
233/241, "NILA"
Technopark Campus
Trivandrum, Kerala 695 581

Bangalore
S&S Business Centre, 224, 1st Main Road,
Domlur 2nd Stage, Bangalore 560 071

Hyderabad
Babu Khan Mall, Somajiguda
Hyderabad 500 016

SUBSIDIARY COMPANIES

INDIA

Thunga Software Private Limited
S&S Business Centre, 224,
1st Main Road, Domlur 2nd Stage,
Bangalore 560 071

Accentia Oak Technologies Pvt Ltd
4th Floor, Babu Khan Mall,
Somajiguda, Hyderabad 500 016

Accentia Education Services P Ltd
International Infotech Centre
CBD Belapur, Navi Mumbai
Mumbai 400 614

USA

GSR Physicians Billing Services Inc.
50 Cragwood Road, Ste 104
South Plainfield, NJ 07080-2435

GSR Systems Inc.
50 Cragwood Road, Ste 104
South Plainfield, NJ 07080-2435

USA

Denmed Inc.
50 Cragwood Road, Ste 104
South Plainfield, NJ 07080-2435

Oak Technologies Inc.
50 Cragwood Road, Ste 104
South Plainfield, NJ 07080-2435

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their Twenty Fourth Annual Report along with the audited annual accounts for the financial year ended March 31, 2015.

1. FINANCIAL HIGHLIGHTS

Key aspects of Standalone Financial Performance / Operating Performance of the Company for the year ended March 31, 2015 are tabulated below:→

| Financial Results (Stand Alone) | | in lakhs | |
|---------------------------------|----------------------------------|-------------------------------------|--|
| Particulars | For the year ended 31.03.2015 | For the year ended 31.03.2014 | |
| Total Income | 580 | 3,916 | |
| Less: Total Expenditure | 2,695 | 5,538 | |
| Profit Before Tax | -2,114 | -1,622 | |
| Less: Provision of tax | 359 | 59 | |
| Profit after Tax | -1,755 | -1,563 | |

| Financial Results (Consolidated) | | in lakhs | |
|----------------------------------|----------------------------------|----------------------------------|--|
| Particulars | For the year ended 31.03.2015 | For the year ended 31.03.2014 | |
| Total Income | 2,960 | 11,262 | |
| Less: Total Expenditure | 5,492 | 13,649 | |
| Profit Before Tax | -2,532 | -2,387 | |
| Less: Provision of tax | 379 | 125 | |
| Profit after Tax | -2,153 | -2,262 | |

2. INFORMATION ON STATE OF AFFAIRS OF THE COMPANY

Information on operational and financial performance, etc., is provided in the Management Discussion and Analysis Report, which is annexed to the Directors' Report and has been prepared, inter-alia, in compliance with the terms of Clause 49 of the

Listing Agreement with Indian Stock Exchanges.

3. DIVIDEND

After considering the Company's current financial position and cash flow, your Directors have not recommend a dividend.

4. PUBLIC DEPOSITS

During the year, your Company has not accepted any deposits within the meaning of the provisions of Section 73 of the Companies Act, 2013.

5. SUBSIDIARY COMPANIES

The Company has following subsidiaries as on March 31, 2015:

Your company is having 8 numbers of subsidiaries, namely;

1. Thunga Software Private Limited
2. Accentia Oak Technologies Private Limited
3. Accentia Education Services Private Limited
4. GSR Physicians Billing Services Inc.
5. GSR System Inc.
6. Denmed Inc.
7. Oak Technoloiges Inc.
8. Accentia Technologies FZE

6. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Internal Financial Controls (IFC) as per explanation to Section 134(5)(e) of the Companies Act, 2013 are reviewed by your management and key areas are subject to various statutory, internal and operational audits based on periodic risk assessment. The findings of the audits are discussed with the management and key findings are presented before the Audit Committee for review of actionable items.

The review of the IFC, inter-alia, consists of the following three components of internal controls:

- A. Entity level controls;
- B. Key financial reporting controls; and
- C. Internal controls in operational areas.

7. INCREASE IN SHARE CAPITAL

There is no increase in the share capital of the company during the financial year

8. STATUTORY AUDITORS

DMKH & CO. Chartered Accountants.

DURGESH KABRA

Partner

Membership No - 44075

Firm Registration no – 116886W

The Statutory Auditors of the Company, were appointed by the Shareholders at their meeting held on Dec 31, 2014, subject to ratification by Shareholders at every Annual General Meeting as per the provisions of the Companies Act, 2013 ('Act'). Pursuant to the Act, Members are requested to consider ratification of their appointment and authorise the Board of Directors including Audit Committee thereof to fix their remuneration for the Financial Year 2014-15. In this regard, the Company has received a Certificate from the Auditors to the effect that their appointment as Auditors continues to be in accordance with the provisions of the Act.

9. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

10. DIRECTORS

In accordance with the Articles of Association of the Company, Bobichen Jacob Thomas, [DIN: 06995856] retire from office by rotation, and being eligible, offer himself for re-appointment at the forthcoming Annual General Meeting of the Company.

11. DECLARATION BY INDEPENDENT DIRECTOR(S)

The Company has received Certificate of Independence from all Independent Directors, inter-alia, pursuant to Section 149 of the Companies Act, 2013, confirming and certifying that they have complied with all the requirements of being an Independent Director of the Company.

12. BOARD AND COMMITTEE EVALUATION

The Companies Act 2013, rules thereunder and the Listing Agreement provide that the Annual Report of the Company shall disclose the following:

Manner in which formal performance evaluation of the Board, its Committees, and Individual Directors has been carried out; and Evaluation criteria.

To this effect, the Board of Directors appointed an external expert on Board evaluation, for facilitating and carrying out the said evaluation who carried out the review, analysis, and evaluation and submitted its report. This exercise, inter-alia, aimed at evaluation of the Board at a collective level and evaluation of individual board members, including peer review and self-assessment. The individual reports were submitted to respective directors whereas the Board level report was placed before the Nomination and Remuneration Committee

as well as the Board of Directors, for review, requisite noting and action items.

The said review was carried out, based on pre-defined comprehensive checklist(s) covering evaluation criteria(s), inter-alia, modelled on the following factors:

- Accountability towards shareholders;
- Critical review of business strategy;
- Conducive environment for candid communication and rigorous decision making;
- Board's ability to demand and foster higher performance;
- Business Continuity preparedness;
- Skill Set and mix thereof among Board members;
- Flow of information so as to enable informed
- Manner in which formal performance evaluation of the opinions by the Directors;

Adequacy of meetings of directors in terms of frequency as well as the time dedicated for discussions and deliberations.

The peer review checklist encouraged the Directors to share their feedback, suggestions and opinions frankly which were then collated and submitted to each of the directors for noting, information and requisite future action, as deemed fit.

On the same lines, review of committees of Board of Directors was also conducted based on pre-defined comprehensive checklist(s) covering evaluation criteria(s), inter-alia, modelled on the following factors:

- Contribution, control and counselling by the Committee on various matters;
- Qualitative comments/ inputs;
- Deficiencies observed, if any;
- Qualification of members constituting the Committee;
- Attendance of Committee members in the respective meetings;
- Frequency of meetings. In addition, the Chairman was also evaluated on the key aspects of his role.

The findings of this exercise were also placed before the Nomination and Remuneration Committee and the Board for review, evaluation and noting.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive director and non-executive directors. The same was discussed in the subsequent Board Meeting that followed the Meeting of Independent Directors.

It is intended to continue with this practice going forward and explore to enhance the scope of this exercise, if and as deemed fit.

13. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has in place a detailed Nomination and Remuneration Policy, which is also available on the website of the Company dealing with related matters. The Familiarisation

program is undertaken as and when there is a new induction on the Board of the Company, which, inter-alia, covers the following:

- a) Introduction and meeting with other Directors on the Board and the Senior Management;
- b) Brief introduction about the business of the Company;
- c) Roles and responsibilities of directors;
- d) Extant Committees of Board of Directors;
- e) Meetings of Board and Committees, venue, generic dates and timings when such meetings are generally held and the Annual General Meeting of shareholders of the Company;
- f) The Codes of Conduct which are in place and applicable to the Directors;
- g) Remuneration payable to Directors pursuant to Shareholders approval to that effect;
- h) Liability Insurances taken by the Company to cover directors;

Further the Directors have access to Management to seek any additional information, clarification and details as may be required.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 and other applicable rules and regulations, the Directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts for the Financial Year 2014-15, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit or loss of the Company for the year ended on that date;
- (c) the directors 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;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively;
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. NO. OF MEETINGS OF THE BOARD

During the Financial Year 2014-15, 4 (four) Board Meetings were held.

17. NOMINATION AND REMUNERATION POLICY

In terms of Section 178 of the Companies Act, 2013 and the

16. AUDIT COMMITTEE

Composition of Audit Committee:

There were no such instances wherein the recommendations of the Audit Committee were rejected by the Board of Directors.

| Name of the Director | Position in Audit committee | No. of committee meetings attended |
|--------------------------|-----------------------------|------------------------------------|
| Dr K. Balasubramani | Chairman | 4 |
| Mr Bobichen Jacob Thomas | Member | 4 |
| Pradeep Viswambharan | Member | 4 |

Listing Agreement, entered into by the Company with Stock Exchanges, as amended from time to time, the policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company had been formulated by the Nomination and Remuneration Committee of the Company. The policy acts as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

18. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

Pursuant to the provisions of the Companies Act, 2013 and Listing Agreement, the Company has in place Whistle Blower Policy to encourage all employees or any other person dealing with the Company to disclose any wrongdoing that may adversely impact the Company, the Company's customers, shareholders, employees, investors, or the public at large. This policy, inter-alia, also sets forth (i) procedures for reporting of questionable auditing, accounting, internal control and unjust enrichment matters and (ii) an investigative process of reported acts of wrongdoing and retaliation from employees, inter-alia, on a confidential and anonymous basis.

19. SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Companies Act, 2013, and Rules thereunder, a Secretarial Audit Report for the FY 2014-15 in Form MR 3 given by JBP & Associates, Company Secretaries in practice is attached as Annexure with this report.

20. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required, inter-alia, under Section 134(3)(m) of the Companies Act, 2013, is given in the Annexure forming part of this report.

The framework is periodically reviewed by senior management persons to ensure that the risks are identified, managed and mitigated. The same is also periodically reported to the Audit Committee and the Board of Directors.

21. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with requirements, inter-alia, of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Compliance Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainee) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the Financial Year 2014-15:

- No. of complaints received : Nil
- No. of complaints disposed off : Nil

22. CORPORATE SOCIAL RESPONSIBILITY

The Company continues to earmark a corpus every year for CSR activities. The Accentia Candle Light initiative under the guidance of CSR Committee is responsible for championing all philanthropy and CSR initiatives of the Company. The mission of The Accentia Candle Light Initiative is committed to being participants of progress by supporting initiatives in education and child welfare to help measurably improve the lives of underprivileged children.

23. HUMAN RESOURCES MANAGEMENT

The Company recognises the value of continuous learning and development that is focused and relevant and is committed to investing in its people's capabilities because it believes that the competencies that are built today will drive the future of its business.

24. CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has prescribed certain corporate governance standards vide Clause 49 of the Listing Agreement. Your Directors reaffirm their commitments to these standards and a detailed Report on Corporate Governance together with the Auditors' Certificate on its compliance is annexed hereto.

The Ministry of Corporate Affairs, Government of India, published the Corporate Governance Voluntary Guidelines 2009, to strengthen the corporate governance framework.

These guidelines provide for a set of requirements which may be voluntarily adopted by Companies and focuses on areas such as Board of Directors, responsibilities of the Board, Audit Committee functions, roles and responsibilities, appointment of auditors, Compliance with Secretarial Standards and a mechanism for whistle blower support. Your Company by and large is in compliance with requirements laid down therein.

25. SUCCESSION PLANNING

The Company has succession plan in place for orderly succession for appointments to Board and to senior management.

26. GREEN INITIATIVE BY THE MINISTRY OF CORPORATE AFFAIRS

The Ministry of Corporate Affairs ('MCA') has taken a Green Initiative in Corporate Governance by permitting electronic mode for service of documents to members after considering relevant provisions of the Information Technology Act, 2000 and Companies Act, 2013 and rules made thereunder ('the Act'). Pursuant to provisions of Act, service of documents to members can be made by electronic mode on the email address provided for the purpose of communication. If a member has not registered an email address, other permitted modes of service would continue to be applicable.

Your Company sincerely appreciates shareholders who have contributed towards furtherance of Green Initiative. We further appeal to other shareholders to contribute towards furtherance of Green Initiative by opting for electronic communication.

This initiative will ease the burden on corporates (and the environment) of sending physical documents such as notices, annual reports etc. The members who have not provided their email address will continue to receive communications, dissemination, notice(s), documents etc. via permitted mode of service of documents. Further the shareholders, who request for physical copies, will be provided the same at no additional cost to them.

27. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their sincere appreciation to the Company's customers, vendors, investors, consultants, business associates, bankers and employees for their support and co-operation to the Company.

Your Directors are also thankful to the Government of India, the Governments of various countries, the concerned State Governments and regulatory agencies for their co-operation.

Your Directors also acknowledge the hard work and effort made by every member of the Accentia family across the world and express their sincere gratitude to the Members for their continuing confidence in the Company.

For and on behalf of the Board of Directors Accentia Technologies Limited

Sooraj C K
Managing Director

Place: Mumbai
Date: Nov 30, 2015

Annexure-A - Secretarial Audit Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Accentia Technologies Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Accentia 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 Accentia Technologies Limited'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 authorised 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 31st March 2015, 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 31st 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) 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that 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.

During the period of Audit, all the decisions in the Board meetings were carried out unanimously.

We have relied on the representation made by the Company and its Officers for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

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 there were no specific events/ actions having a major bearing on the Company's affairs.

For JBP & Associates.

CS. Bijoy P Pulipra

FCS 7475, CP No. 71 44

Trivandrum
November 30 2015

CERTIFICATIONS AND REPORTS

CEO Certification

I, Sooraj C. K., Managing Director of M/s. Accentia Technologies Limited, to the best of my knowledge and belief, certify that: (a) We have reviewed the consolidated and stand alone Balance Sheet and the Profit and Loss account for the year ended 31.03.2015 and all its schedule, notes to accounts as well as the cash flow statement for that year and the Directors' report for that year and to the best of our knowledge and belief:

i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violating the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for the financial reporting and that they have evaluated the effectiveness of internal control systems of the

company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are ware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee

(i) Significant changes in internal control over financial reporting during the year;

(ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Navi Mumbai
November 30, 2015

Sooraj C.K
Managing Director

1. Company's Philosophy on the Code of Governance

Effective Corporate Governance is necessary to maintain public trust and to achieve business success. The Company is committed to exercise the overall responsibilities rigorously and diligently throughout the organisation, managing its affairs in a manner consistent with the highest principles of business ethics, and exceeding the corporate governance requirements. The Company believes that sound corporate governance mechanism is critical to retain and enhance investor's trust. The Company's corporate governance philosophy aims at ensuring, among others, the accountability of Board of Directors and uniformity in its decisions towards all its stakeholders: viz. customers, employees, shareholders, etc.

Your Company is compliant with all the mandatory provisions of Clause 49 of the Listing Agreement of the Stock Exchanges. The details of compliance are as follows:-

2. Board of Directors

The Board of Directors meets atleast once a quarter to review quarterly results and other items on the agenda as well as on the occasion of Annual General Meeting of shareholders of the Company. Additional Board meetings are convened as and when necessary.

◇ Composition of the Board of Directors

The Board of Directors of the Company represents an optimum combination of Executive and Non-Executive Directors for its independent functioning. The Board comprises of five Directors, of which one is Executive Director, one is Non-Executive Directors and three are Non-Executive Independent Directors, including one women director.

The above composition is consistent with the relevant provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

◇ Details of Directors

| Name of the Director | Category |
|-----------------------------|--|
| 1. Mr Sooraj C.K. | Executive Promoter Director/Managing Director |
| 2. Mr Pradeep Viswambharan | Promoter Director/Non Executive Non Independent Director |
| 3. Dr K. Balasubramani | Independent Non executive Director |
| 4. Mr Bobichen Jacob Thomas | Independent Non executive Director |
| 5. Ms Sudeepa Nagasampagi | Independent Non executive Director |

None of the Directors on the Board is a member in more than ten Committees and Chairman of more than five Committees (as per Clause 49(I)(C)(ii)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies.

◇ Board Meetings and Procedures

The Board of Directors of the Company have complete access to any information pertaining to activities and operations of the Company. Further, respective functional heads are invited to attend Committee/ Board Meetings to discuss internal audit reports and/ or to provide detailed insights on items pertaining to their program, forming part of agenda items. Regular updates at such meetings, inter-alia, include updates on operations of the Company, presentations on financials including details of foreign

exchange exposure and steps taken to minimise exchange fluctuation risks, non-compliance of any regulatory, statutory or listing agreement requirements, if any, and major developments during the period.

During the year under review the Board of directors met 4 times as against the minimum requirement of 4 meetings. The maximum time gap between any two meetings was not more than 4 calendar months in any case. The Board had met on 30.05.2014, 14.08.2014, 15.11.2014, and 14.02.2015.

The attendance of each Director at the Board meeting, Last Annual General Meeting and number of other Directorship and Chairmanship/membership of Committee held by each of the Director in other Companies are as under:

| Name of Director | Attendance | | Relationship with other Directors | No. of other directorships/ membership | | | |
|--------------------------|------------|----------|-----------------------------------|--|--|-------------------------|---------------------------|
| | Board | Last AGM | | India Listed Companies* | Companies all around the world (listed and unlisted)** | Committee Membership*** | Committee Chairmanship*** |
| Sooraj C.K. | 4 | Yes | None | NIL | 4 | 2 | NIL |
| Pradeep Viswambharan | 4 | Yes | None | NIL | 10 | 3 | NIL |
| Dr K. Balasubramani | 4 | Yes | None | NIL | 2 | 2 | 2 |
| Mr Bobichen Jacob Thomas | 4 | Yes | None | NIL | 1 | 2 | 1 |
| Ms Sudeepa Nagasampagi | 4 | Yes | None | NIL | 1 | 2 | 1 |

* Excluding directorship in Accentia Technologies Limited

** Including directorship in Accentia Technologies Limited and its subsidiaries

*** Including Chairmanships in Accentia Technologies Limited and its subsidiaries

As required by Clause 49 of the Listing Agreement, the disclosure includes memberships / chairmanship of Audit Committee and Stakeholders' Relationship Committee in Indian public companies (listed and unlisted). The status is as on March 31, 2015.

◇ **Brief Profile of Director(s)**

Further, the required resolutions for appointment /re-appointment of the Director(s), at the forthcoming Annual General Meeting are included in the Notice convening this Annual General Meeting.

◇ **Code of Conduct**

Pursuant to Clause 49 of the Listing Agreement, the Board of Directors has laid down a Code of Conduct for Board Members and Senior Management Personnel of the Company.

All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Financial Year 2014-15.

◇ **Policy on Prohibition of Insider Trading**

The Company has in place a Code of Conduct for Prohibition of Insider Trading and Code for Fair Disclosure ('the Code') pursuant to Section 195 of the Companies Act, 2013, and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Company has instituted reporting system to prevent insider trading by employees, as applicable, and also takes periodic disclosures from them as stipulated in the said Code of Conduct. Further, Company has put in place a 'Pre-Intimation / Pre-Clearance of Trade' mechanism which makes it mandatory for all the designated employees to pre-intimate / obtain prior approval, before dealing in Company's securities, depending upon respective minimum threshold limit set out in the said Code.

Pursuant to the Code, all the designated employee(s) of the Company are also required to inform his/her shareholding in the Company, if any, as on the date of joining, being promoted to the designation, subject to the Insider Trading Code and at the time of leaving the organisation. The Code of Conduct also provides for post transaction disclosure(s) based on which the Company makes filing with the Stock Exchange(s), pursuant to the relevant SEBI Regulations.

◇ **Code of Conduct for Independent Directors**

The Code of Conduct for Independent Directors ('Code') has been adopted by the Company to comply with the Section 149, read with Schedule IV under the Companies Act, 2013 ('Act') and such other rules and regulations as applicable.

The Code is a guide to professional conduct for Independent Directors. It is believed that adherence to these standards by Independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators in the institution of independent directors.

Further pursuant to the provisions of Act and the Listing Agreement, Independent Directors of the Company hold at-least one meeting in a financial year without attendance of Non-Independent Directors and the members of the Management.

3. Audit committee

◇ **Primary role of Audit Committee**

The primary role of Audit Committee of the Board is to act as a catalyst in monitoring and supervising the management's financial reporting process as well as assisting the Board of Directors in overseeing inter-alia the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
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 Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements

relating to financial statements;

- f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) if any, the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties, as permitted;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the Whistle Blower mechanism;
 19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
 21. Review of the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and

e. The appointment, removal and terms of remuneration of the internal auditor.

◇ Powers of Audit Committee:

The Audit Committee has, inter-alia, the following powers:

- 1 To investigate any activity within its terms of reference.
- 2 To seek information from any employee
- 3 To obtain outside legal or other professional advice.
- 4 To secure attendance of outsiders with relevant expertise, if it considered necessary.

◇ Terms of Reference:

The Audit Committee has, inter-alia, the following mandate, which lays down its roles and responsibilities:

- i. The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
 - ii. Review and monitor the Auditor’s independence and performance, and effectiveness of audit process;
 - iii. Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information;
 - IV. Reviewing with management, the annual financial statements before submission to the Board;
 - V. Examination of the financial statement and the Auditors’ report thereon;
 - vi. Reviewing the Company’s financial and risk management policies;
 - vii. Monitor related party transactions of the Company;
 - viii. Subject to applicable rules and regulations, approval or any subsequent modification of transactions of the company with related parties;
 - IX. Scrutiny of inter-corporate loans and investments;
 - X. Valuation of undertakings or assets of the company, wherever it is necessary;
 - xi. Evaluation of internal financial controls and risk management systems;
 - xi. Evaluation of internal financial controls and risk management systems;
 - xii. Monitoring the end use of funds raised through public offers, if any, and related matters;
 - xiii. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit.
 - xiv. The Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and Statutory Auditors and the management of the Company;
 - xv. The Committee shall have authority to investigate into any matter in relation to the items specified or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- The Audit Committee should meet at least four times in a year

and not more than four months shall elapse between two meetings.

The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

The Audit Committee of the company had been reconstituted with the following members Dr K. Balasubramani, Mr Bobichen Jacob Thomas and Mr Pradeep Viswambharan. The constitution of the committee also meets the requirements under Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are as contained in the Clause 49 of the Listing Agreement. Dr K. Balasubramani is the Chairman of the Audit Committee. The composition and attendance of the Committee is as follows:

| Name of the Director | Position in Audit committee | No. of committee meetings attended |
|--------------------------|-----------------------------|------------------------------------|
| Dr K. Balasubramani | Chairman | 4 |
| Mr Bobichen Jacob Thomas | Member | 4 |
| Pradeep Viswambharan | Member | 4 |

During the year, the committee has met 4 times:

| Sl. No. | Venue | Date |
|---------|---------------------------|------------|
| 1 | Registered Office, Mumbai | 30.05.2014 |
| 2 | Registered Office, Mumbai | 14.08.2014 |
| 3 | Registered Office, Mumbai | 15.11.2014 |
| 4 | Registered Office, Mumbai | 14.02.2015 |

The Company Secretary of the Company acts as Secretary to the Committee.

The Company has a well-qualified and independent Audit Committee, having adequate financial and accounting knowledge. The constitution, powers, duties and responsibilities of the Audit Committee are in line with provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with the stock exchanges.

Statutory Auditors as well as Internal Auditors participate in the Audit Committee meetings. In addition to the above, the Committee meetings were also attended by the Chief Financial Officer of the Company alongwith Associate Principal – Corporate Finance.

The minutes of the Audit Committee Meetings are placed before the Board. The Chairman of the Audit Committee briefs the Board Members about the significant discussions and the decisions taken at Audit Committee meetings.

4. Nomination and Remuneration Committee

The Board of Directors has constituted the Nomination and Remuneration Committee pursuant to inter-alia, Section 178 of the Companies Act, 2013.

◊ Terms of reference:

The Committee has inter-alia the following terms of reference:

1 Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

3 Ensure that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors.

4 Devise framework to ensure that Directors are inducted through suitable familiarisation process covering their roles, responsibility and liability.

5 Oversee the implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines.

6 Decide/approve details of fixed component and performance linked incentives along with the performance criteria.

7 Devising a policy on Board diversity.

8 Formulation of criteria for evaluation of Independent Directors and the Board.

9 The Nomination and Remuneration Committee shall, while formulating the Remuneration policy ensure that:

a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The Nomination and Remuneration Committee of the company had been constituted with the following members, Mr. Bobichen Jacob Thomas, Dr K. Balasubramani and Ms Sudeepa Nagasampagi. The remuneration committee has been constituted to recommend/review the remuneration package of the directors based on performance and defined criteria. The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice. Mr. Bobichen Jacob Thomas is the Chairman of the Nomination and Remuneration Committee. The composition and attendance of

the Committee is as follows:

| Name of the Director | Position in committee | No. of committee meetings attended |
|--------------------------|-----------------------|------------------------------------|
| Mr Bobichen Jacob Thomas | Chairman | 4 |
| Dr K. Balasubramani | Member | 4 |
| Ms Sudeepa Nagasampagi | Member | 4 |

During the period under review, the committee has met 4 times.

| Sl. No. | Venue | Date |
|---------|---------------------------|------------|
| 1 | Registered Office, Mumbai | 30.05.2014 |
| 2 | Registered Office, Mumbai | 14.08.2014 |
| 3 | Registered Office, Mumbai | 15.11.2014 |
| 4 | Registered Office, Mumbai | 14.02.2015 |

The Company Secretary of the Company acts as Secretary to the Committee.

Sitting Fees

The Non-Executive Independent Directors of the Company are being paid sitting fees as per the Companies Act, 2013 and no sitting fee is paid to Non-Executive Non-Independent Directors.

Further the boarding and lodging expenses are reimbursed to the Directors based out of Mumbai.

Remuneration by way of commission to Non-Executive Independent Director

The Remuneration by way of commission is paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the regulations, subject to an amount of Rs 4 Lacs p.a.

5. Shareholders' Relationship/Investor Grievance Committee

The Committee was earlier designated as Shareholders Grievance Committee pursuant to Listing Agreement, which is presently effective. The same was renamed to comply with the provisions of Companies Act, 2013 and Listing Agreement. The Committee facilitates effective redressal of Investor Complaints and oversees share transfers.

The Shareholders' Relationship/Investor Grievance Committee had been reconstituted with the following members Ms Sudeepa Nagasampagi, Mr Sooraj C.K. and Mr Pradeep Viswambharan. Ms Sudeepa Nagasampagi is the Chairperson of the Shareholders' Relationship/Investor Grievance Committee. The composition and attendance of the Committee is as follows:

| Name of the Director | Position in committee | No. of committee meetings attended |
|------------------------|-----------------------|------------------------------------|
| Ms Sudeepa Nagasampagi | Chairman | 4 |
| Sooraj C.K. | Member | 4 |
| Pradeep Viswambharan | Member | 4 |

The constitution, duties and responsibilities of the Stakeholders' Relationship/ Investor Grievance Committee are in line with Clause 49 of the Listing Agreement with the stock exchanges, and other applicable provisions. . During the period under review, the committee has met 4 times. The Company Secretary of the Company acts as Secretary to the Committee.

| Sl. No. | Venue | Date |
|---------|---------------------------|------------|
| 1 | Registered Office, Mumbai | 30.05.2014 |
| 2 | Registered Office, Mumbai | 14.08.2014 |
| 3 | Registered Office, Mumbai | 15.11.2014 |
| 4 | Registered Office, Mumbai | 14.02.2015 |

6. Risk Management Committee

The Risk Management Committee of the company had been constituted with the following members, Dr K. Balasubramani, Mr Sooraj C.K. and Mr Pradeep Viswambharan. Dr K. Balasubramani is the Chairman of the Risk Management Committee. The composition and attendance of the Committee is as follows:

| Name of the Director | Position in committee | No. of committee meetings attended |
|----------------------|-----------------------|------------------------------------|
| Dr K. Balasubramani | Chairman | 4 |
| Sooraj C.K. | Member | 4 |
| Pradeep Viswambharan | Member | 4 |

During the period under review, the committee has met 4 times.

| Sl. No. | Venue | Date |
|---------|---------------------------|------------|
| 1 | Registered Office, Mumbai | 30.05.2014 |
| 2 | Registered Office, Mumbai | 14.08.2014 |
| 3 | Registered Office, Mumbai | 15.11.2014 |
| 4 | Registered Office, Mumbai | 14.02.2015 |

7. General Body Meetings

◇ Annual General Meeting:

Location and place of the last three annual general meetings

| Financial Year | Venue | Date & Day | Time | Special Resolutions passed |
|----------------|--------------------------------|-----------------------|----------|--|
| 2013-14 | Registered Office, Navi Mumbai | Wednesday, 31.12.2014 | 4.30 P.M | 1. Appointment of Directors |
| 2012-13 | Hotel The Park, Navi Mumbai | Monday, 30.12.2013 | 9.30 A.M | Nil |
| 2011-12 | Hotel The Park, Navi Mumbai | Friday, 28.09.2012 | 9.30 A.M | 1. Further issue of Shares 2. Issue of Convertible Share Warrants |

No special resolution was passed last year through postal ballot.

◇ Extraordinary General Meeting:

No Extraordinary General Meeting of the members was held during the year.

8. Management Discussion And Analysis

The detailed Management Discussion and Analysis Report for the Financial Year 2014-15, as per the requirements of Listing Agreement, is given in a separate section forming part of the Annual Report.

9. Means Of Communication

The Company publishes its quarterly, half yearly and annual results in the prescribed form, within the prescribed time. The results are submitted to the stock exchanges where the shares of the Company are listed. These financial results are also displayed on the Company's website www.accentiatech.com.

As a transparency initiative, your Company has explained its business comprehensively in Management Discussion and Analysis, which forms a part of this Annual Report.

10. Code of Conduct

The Company's Board has laid down a code of conduct for all Board members and senior management of the company. The code of conduct is available on the website of the company, www.accentiatech.com. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this report.

11. Disclosures

a) There were no material transactions between the company and its directors or management or their relatives that have any potential conflict with interests of the company at large. Transactions with related party are disclosed elsewhere in the Annual Report. None of the transactions have potential conflict with interest of the company at large. b) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock exchanges or any Statutory authority, or any matter related to capitalmarkets, during the last three years – None

12. Means of Communication

The Company has promptly reported all information including declaration of Quarterly Financial Results to the Stock exchange where the stocks of the company are listed.

13. General Shareholder information

13.1 Annual General Meeting

Date & Time: Thursday, 31st December, 2015 at 4.00 P.M. Venue : Registered Office of the Company at D-207, Second Floor International Infotech Centre Belapur Railway Station Complex CBD Belapur, Navi Mumbai Mumbai 400 614

13.2 Book closure Date

24rd December, 2015 to 31st December, 2015 (both days inclusive)

- i) Listing of Equity shares on Bombay Stock Exchange
- ii) Listing fees for the year 2013-14 is duly paid to stock exchange as per listing agreement.

13.3 Stock Code :

BSE SCRIP CODE 531897

13.4 Demat ISIN Numbers in NSDL and CDSL:

INE122B01012

13.5 Registered Office

D-207, Second Floor, International Info Tech Park, Belapur Railway Station, Sector-II, CBD Belapur, Navi Mumbai – 400614, Maharashtra

13.6. Company Secretary & Compliance Officer :

Mr. Jose George., Company Secretary

13.7. Registrar and Transfer Agents

Sharex Dynamic (India) Private Ltd Unit-1, Luthra Ind. Premises, Safed Pool, Andheri- Kurla Road, Andheri(E), Mumbai-400072

13.8. Distribution of Shareholders as on 31st March 2015

| | Category of Shareholder | Number of Shareholders | Total number of shares | Number of shares held in dematerialized form | Total shareholding as | | Shares pledged or | |
|-----|--|------------------------|------------------------|--|--------------------------------------|----------------------------|-------------------|-------------------------------|
| | | | | | As a percentage of(A+B) ¹ | As a percentage of (A+B+C) | Number of shares | As a % of Total No. of Shares |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | |
| 1 | Indian | | | | | | | |
| a | Individual/Huf | 11 | 2706963 | 2706963 | 15.900 | 15.900 | 2505000 | 92.539 |
| b | Central/State Gov | 0 | 0 | 0 | 0.000 | 0.000 | 0 | 0.000 |
| c | Bodies Corporates | 0 | 0 | 0 | 0.000 | 0.000 | 0 | 0.000 |
| d | Fins / Banks | 0 | 0 | 0 | 0.000 | 0.000 | 0 | 0.000 |
| e | Any Other specify | 0 | 0 | 0 | 0.000 | 0.000 | 0 | 0.000 |
| e-1 | | 0 | 0 | 0 | 0.000 | 0.000 | 0 | 0.000 |
| e-2 | | 0 | 0 | 0 | 0.000 | 0.000 | 0 | 0.000 |
| | Sub Total(A)(1) | 11 | 2706963 | 2706963 | 15.900 | 15.900 | 2505000 | 92.539 |
| 2 | Foreign | | | | | | | |
| a | Indv NRI/For Ind | 0 | 0 | 0 | 0.000 | 0.000 | 0 | 0.000 |
| b | Bodies Corporate | 0 | 0 | 0 | 0.000 | 0.000 | 0 | 0.000 |
| c | Institutions | 0 | 0 | 0 | 0.000 | 0.000 | 0 | 0.000 |
| d | Qualified For.Inv. | 0 | 0 | 0 | 0.000 | 0.000 | 0 | 0.000 |
| e | Any Other Specify | 0 | 0 | 0 | 0.000 | 0.000 | 0 | 0.000 |
| e-1 | | 0 | 0 | 0 | 0.000 | 0.000 | 0 | 0.000 |
| e-2 | | 0 | 0 | 0 | 0.000 | 0.000 | 0 | 0.000 |
| | Sub Total(A)(2) | 0 | 0 | 0 | 0.000 | 0.000 | 0 | 0.000 |
| | Total Shareholding of Promoter and Promoter Group Total (A)= (A)(1)+(A)(2) | 11 | 2706963 | 2706963 | 15.900 | 15.900 | 2505000 | 92.539 |
| (B) | Public shareholding | | | | | | | |
| 1 | Institutions | | | | | | | |
| a | Mutual Funds | 0 | 0 | 0 | 0.000 | 0.000 | | |
| b | Fins / Banks | 0 | 0 | 0 | 0.000 | 0.000 | | |
| c | Central/State Govt | 0 | 0 | 0 | 0.000 | 0.000 | | |
| d | Venture Cap Fund | 1 | 205554 | 205554 | 1.207 | 1.207 | | |
| e | Insurance Comp(s) | 0 | 0 | 0 | 0.000 | 0.000 | | |
| f | Foreign Ins Invest | 1 | 16000 | 16000 | 0.094 | 0.094 | | |
| g | Foreign Ven Cap In | 0 | 0 | 0 | 0.000 | 0.000 | | |
| h | Qualified For.Inv. | 0 | 0 | 0 | 0.000 | 0.000 | | |
| i | Any Other -Specify | 0 | 0 | 0 | 0.000 | 0.000 | | |
| i-1 | | 0 | 0 | 0 | 0.000 | 0.000 | | |
| i-2 | | 0 | 0 | 0 | 0.000 | 0.000 | | |
| | Sub-Total (B)(1) | 2 | 221554 | 221554 | 1.301 | 1.301 | | |
| B 2 | Non-institutions | | | | | | | |
| a | Bodies Corporates | 115 | 648800 | 648800 | 3.811 | 3.811 | | |
| b | Individuals | | | | | | | |
| | i) upto Rs 1-Lac | 4396 | 2849093 | 2827697 | 16.735 | 16.735 | | |
| | ii) above Rs1-Lac | 142 | 10244887 | 10226921 | 60.177 | 60.177 | | |
| c | Qualified For.Inv. | 0 | 0 | 0 | 0.000 | 0.000 | | |
| d | Any Other -Clr-Mem | 2 | 204847 | 1232 | 1.203 | 1.203 | | |
| d-1 | | 0 | 0 | 0 | 0.000 | 0.000 | | |
| d-2 | | 0 | 0 | 0 | 0.000 | 0.000 | | |
| | -OCB | 0 | 0 | 0 | 0.000 | 0.000 | | |
| | -NRI | 73 | 148426 | 148426 | 0.872 | 0.872 | | |
| | Sub-Total (B)(2) | 4728 | 14096053 | 13853076 | 82.798 | 82.798 | | |
| (B) | Total (B)= (B)(1)+(B)(2) | 4730 | 14317607 | 14074630 | 84.100 | 84.100 | | |
| | TOTAL (A)+(B) | 4741 | 17024570 | 16781593 | | 100.000 | 2505000 | 14.714 |
| (C) | Held by Custodians against Depository Receipts | | | | | | | |
| | PROMOTER & PRO GRP | 0 | 0 | 0 | | 0.000 | | |
| | PUBLIC | 0 | 0 | 0 | | 0.000 | | |
| | GRAND TOTAL (A)+(B)+(C) | 4741 | 17024570 | 16781593 | | 100.000 | 2505000 | 14.714 |

13.9. Dematerialization of Shares Trading and Liquidity

Dematerialization of Shares Trading in equity shares of the company is permitted only in dematerialized form. As on 31st March 2015, 99.77% of the equity shares of the company were in the dematerialized form.

13.10.

a)t Investor correspondence

For share transfer/dematerialization of shares Payment of dividend on shares, interest and Redemption of debentures and any other query relating to the shares and debentures of the company. : Sharex Dynamic (India) Private Ltd
Unit-1, Luthra Ind. Premises,
Safed Pool, Andheri- Kurla Road,
Andheri(E), Mumbai 400072

b) Any other query

: D-207, Second Floor,
International Info Tech Park,
Belapur Railway Station, Sector-II,
CBD Belapur, Navi Mumbai 400614

CEO'S DECLARATION TO COMPLIANCE OF CODE OF ETHICS

To The Members of
Accentia Technologies Limited

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchanges, I hereby declare that the Company has obtained affirmative compliance with the Code of Conduct from all the Board members and senior management personnel of the Company, for the year ended on March 31, 2015.

For Accentia Technologies Limited

Sooraj C K
Managing Director

Place: Mumbai
Date: Nov 30, 2015

AUDITOR'S CERTIFICATE

To,

The Members of
Accentia Technologies Limited

We have examined the compliance of conditions of Corporate Governance by Accentia Technologies Limited, for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no Investor Grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholder/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DMKH & CO.
Chartered Accountants.
Firm Registration No. 116886W

CA. Durgesh Kabra

Partner
Membership No. : 44075

Navi Mumbai
November 30 2015

MANAGEMENT DISCUSSION AND ANALYSIS

THE EVOLUTION - 1998 to 2006

Humble beginnings...

The promoters of Accentia had initially ventured into ITES business through Geosoft Technologies (Trivandrum) Ltd. Geosoft was started by a trio of enthusiastic entrepreneurs led by Pradeep Viswambharan and supported by Sooraj and Rajeev and was located at Technopark, Trivandrum, known as the greenest and the oldest techno polis in India. The Company was set up to offer documentation services to the Healthcare industry, basically medical transcription. Accentia right from the beginning had always believed in the value-added service in every client engagement and thus the model designed by the team was based on a strong foundation towards client commitment and quality.

After a rigorous selection process and interviews, Geosoft started with thirteen employees, who all had prior experience working in the same field. Geosoft hired young people with high calibre to fill all major areas required to run the business – namely Transcriptionist, Editor, Proofers, Quality Manager and Trainer. They also started a training department to impart training for entire batches of fresh graduates, since there was no availability of trained manpower for the required skills at the time. The initial days were tough as the costs were high and it was not easy for a start-up Company from the hitherto unknown city of Trivandrum in Kerala to bag orders from any major client. Accentia was initially executing work for smaller clinics and physician groups, when it formed an association with US based major MT Company. This association helped Accentia put in place a lot of the delivery and training processes to help stabilize the back-end. Accentia invested significantly in improving its back end delivery capabilities between 2000 and 2005.

Geosoft was now firmly grounded to the roots with its vision to become the leader in the healthcare segment; working with firm ethics towards customer delight and commitment without compromising on the focus of growth. The BPO division of Geosoft Technologies with its excellent customer services positioned itself as one of the leading companies in its segment in South India. With some of the best intellects from the industry in its ranks, Geosoft Technologies soon started catering to the requirements of the other companies in the similar industry by starting a consultancy division.

Going up the value chain

With the vast experience gained, Geosoft decided to venture into providing consultancies to share the knowledge the aspirants starting Healthcare Documentation units in India and set up its consultancy division to provide end-to-end consultancy services to start ups. Most of these units spread across

India which received hand holding from Geosoft, are running successfully now.

With the increasing requirement to match with the ongoing technological changes, Geosoft started a Product Division under the name of Iridium. With a focused approach, the product team was able to come up with end-to-end global work flow automation systems that help in the day-to-day work flow. Products like Iridium Medical Transcription Automation Software (iMTAS), Iridium Certified Home Based Medical Transcription (iCHMT), Iridium Certified Medical Transcription (iCMT), Falcon-2000, F1 HBPO automation Software, Iridium Real Time School (iRTS), Iridium Accounts Management System (iAMS), Iridium Inventory Management System (iIMS), Iridium Payroll Management System (iPMS), Iridium Business Transcription System (iBT), Iridium Hospital Management System (iHMS) are few of the products that got wide acceptance among its customers.

High performance combined with six sigma standards at every step in the SDLC process was an added advantage for our clients who have placed their confidence in the Company. Our solutions focus on leveraging the latest technologies in innovative ways, which boost the bottom line of the customer and ensure that the products and services redefine the way the industry functions.

Very soon Geosoft Technologies became one of the pioneers in Healthcare BPO and the Product Division segment in India, with a capacity of 675 seats and infrastructure of 8,000 sq ft at Technopark, Trivandrum.

THE GIANT LEAP - 2006 to 2010

As part of the expansion plan, in the year 2006, the giant leap that the promoter Pradeep Viswambharan took was to take over a Mumbai listed Company named HiTech Entertainment Limited through an open offer. The same year, as a part of consolidation and Inorganic growth, HiTech Entertainment Limited took over Geosoft and Iridium. Further the name HiTech Entertainment was changed to Accentia Technologies Ltd. to better represent the business activities of the Company.

Reorganisation of Business

Having stabilised the business in the healthcare documentation (medical transcription) over a period of 8 years, Accentia management decided to venture into integrated Healthcare Receivables Cycle Management (HRCM), which was a logical extension of its ongoing business.

In the US, a vast majority of healthcare services are reimbursed through insurance companies and it is mandatory to document, code and prepare detailed bill to be submitted to insurance

companies for reimbursement. Traditionally the above services are offered by separate service organisations.

In the light of the Accentia's past bitter experiences in stabilising MT business from scratch which consumed a huge amount of capital in the first 4 years from inception, the management decided to inorganically acquire the necessary skills, professional expertise, intangible processes and systems and a set of high calibre professional employees through acquisition of companies in the field of medical coding and medical billing & collections. The management believed that acquisitions on the above lines would lead to Accentia offering end-to-end services in HRCM, which would reduce cost and improve the revenue cycle time and increase the profitability of clients in the US.

Inorganic growth path

Pradeep was one of the pioneers who believed in the concept of inorganic growth in Business Process Outsourcing in the healthcare segment. He believed that it is the fastest and easiest way to expand the business to a global scale. The first step towards consolidation and increasing the size through inorganic growth was taken with the acquisition of companies in the US namely GSR Physicians Billing Services Inc., GSR Systems Inc and Denmed Inc. In order to augment the capacities in the Indian back end delivery side, Accentia zeroed in on a few stabilised and established healthcare BPO outfits like Asscent Infoserve Pvt Ltd. and Thunga Software Limited in India. Both these companies were healthcare documentation outsourcing service providers. With these acquisitions the workforce and infrastructure grew multi-fold. This inorganic growth, accompanied by much higher organic traction after the creation of a US based localised front-end, has helped Accentia increase revenues significantly between FY 2007 and FY 2011. In the year 2008, as part of inorganic growth, Accentia Technologies Ltd acquired the US based Oak Technologies Inc, which had Indian back-end operations at three locations in Hyderabad and one in Bhubaneswar.

THE NEW HEALTHCARE POLICY IN THE US AND ITS IMPACT

The emergence of EMR

The current incumbent President of the USA has taken keen interest in bringing about a radical change in the healthcare system and as a result, the US Senate passed a historic Healthcare Bill in 2010 that is set to eliminate gross inefficiencies in the system which was leading to wastage of billions of dollars. The new law has paved way for a rethinking in the way documentation and healthcare receivables cycle management has been conducted. One of the major mandatory requirements as per the new Obama Healthcare Bill is the usage of an Electronic Medical Records (EMR) suite to capture and record patients' demographical, clinical and all other related data into a database, which can be accessed anytime for future reference and analysis. In order to motivate all the physicians and healthcare

organisations in the US to adopt the new EMR based clinical management, Obama administration has offered an incentive scheme. Monetary incentives of up to US\$ 44,000 is payable to all physicians who adopt any EMR software which is certified by the ONC-ATCB (Office of the National Coordinator – Authorised Testing and Certification Body).

This certification does not represent an endorsement of the US Department of Health and Human Services nor guarantee the receipt of incentive payments. Use of ONCATCB

certified EMR software is a required first step in qualifying eligible healthcare providers for incentive funding under the American Recovery and Reinvestment Act (ARRA). The US government has set apart more than US\$ 80 billion specifically for this mission. However the physicians have to prove meaningful use of EMR technology in their clinical practice to claim the incentive amount.

As explained above, EMR captures and stores all clinical and demographic data in a database format compared to physical reports created and maintained through the age old practice of medical transcription which has been the major business area of Accentia over the years

Remodelling of Business Plan

The adoption of EMR based clinical practice has opened up avenues for an integrated end-to-end SaaS model (Software as a Service) of service delivery. Since August 2010, Accentia's product development team along with their functional experts and development partners have been involved in the mission of designing and developing a world class, fully integrated, multi disciplined, cloud based hosted application which integrates all services from electronic medical records(EMR)-practice management system(PMS)- code mapping/scrubbing-medical billing & receivables management system(RCM)-electronic data interchange (EDI) with insurance companies(payer). The above seamlessly integrated SaaS system functions as a one-stop shop for a clinical provider that manages all their healthcare documentation needs, receivables management needs, performance tracking and reporting and would eliminate the need to keep networking and technology personnel at their end to manage the software system, since it is served by a hosted server.

• InstaWeb Physicians' Portal

This is a web-based Java application where physicians can login to dictate, see status of their services, and take printouts of their transcribed reports.



• InstaBill Billing and Collections

- Predictive coding
- Fail safe coding algorithms
- Reference to Medical note
- Pre-billing Authorization
- Electronic and Paper billing-Primary & Secondary.
- Payment Management – Cash, Credit & DD
- Denial Management Tracking

• InstaScribe – Integrated speech recognition enabled Transcription platform

InstaScribe is one of Accentia's most prestigious web-based products which help processing Transcription work flow automation. This is a web-based application which can be accessed from anywhere over internet. InstaScribe is another web-based product from Accentia which helps processing Transcription work flow automation. Being a web-based application it can be accessed from anywhere over internet; the files are transmitted over the internet securely with 100% HIPAA compliance. The voice file picked by the user is fed securely from a remotely-hosted server directly to the user. With adequate work flow status, SLA, allocation status monitoring, InstaScribe makes it convenient for the users at both ends.

PRODUCTS - EDUCATION :

• safecomm

Safecomm is an innovative GSM communication device that ensures safe and secure communication among family members and closed user groups. Safecomm is extremely safe and convenient to people of all age groups, particularly for the vulnerable members of the family including school children, college goers and aged members for whom a hotline connectivity comes very handy in times of need.



In order to safeguard the user from unwanted calls and messages, the hot keys of safecomm can only be activated through the principal user's mobile phone (in the case of students, the hot key configuration is done through parent's mobile phone only).

The safecomm users can press any of the hot keys and connect to any of the four numbers stored in those hot keys. Safecomm, the family hotline, has many target-user groups.

The Communication cum Crime Prevention System (CCPS) (The Safety Net around the weaker sections of our society)

The CCPS works within an established GSM network for seamless round-the-clock communication. The inbound and outbound communication is managed through a safe communication device (designed and developed by our in-house team of communication experts) named as Safecomm that works on GSM technology using a Subscriber Identification Module (SIM). The tracking of the device is established either through cell sites OR through Geographic Positioning System (GPS).

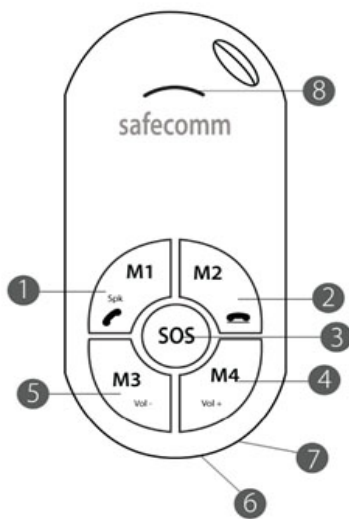
The following are the components and environments of the CCPS:

Products

1. The safe communication device (Safecomm)
2. GSM network and SIM
3. Cell site tracking / GPS (Optional)
4. Android App for managing / tracking (optional)
5. Integration with Police / community monitoring systems (Optional)

The Communication Device (Safecomm)

The communication device works in a GSM environment using a Subscriber Identification Module (SIM card). Although similar to a mobile phone, the Safecomm (named after safe communication device) is devoid of features such as SMS, MMS, Video Chat, Camera, Bluetooth etc., which makes the users vulnerable to predators waiting to exploit the weaker sections of the society.



The various functions of the device and its features are explained in detail here....

1. Call Answering / Speaker On
2. Power On/ Call End
3. SOS Key
4. Volume Up
5. Volume Down
6. Battery Charging Point
7. Microphone
8. Speaker

The device is provided with four hot keys that are labeled as M1, M2, M3 and M4. Each key can assign to a single contact number from the parent mobile phone. With a single press calls can be made to those previously stored numbers respectively.

SOS button is provided at the middle of hot keys. Four emergency contact numbers can be stored in SOS button. By pressing SOS button continuously for about 3 sec, call and message will go automatically to all stored numbers.

Cell Site Tracking / GPS Tracking

The CCPS enables the guardians of the users to track them at all times while they are away from them using either the Cell Site tracking technology OR GPS tracking, the later gives a very precise location but the cost on the higher side as it uses an additional GPS module.

The Guardian using an android smart phone can see the exact location of the safecomm user on the Google map as our system is completely integrated with the Google maps.



Android Application for Tracking the User by the Protector/Guardian

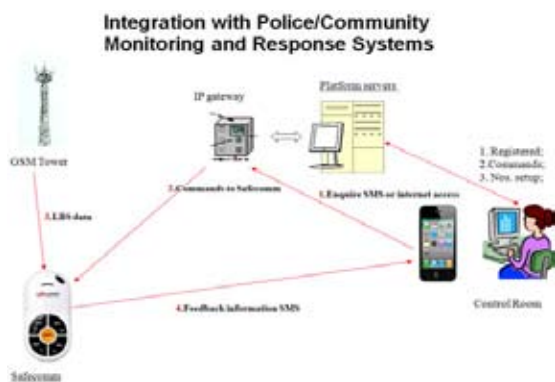
The Safecomm Android Tracking Application integrates the device with the CCPS system, the GSM provider, GPS module using the Google Maps. The integrated Android based CCPS system that runs on an Android smart phone makes it very effective and instant in tracking the user while in an emergency.

Products



Integration with Police/Community Monitoring and Response Systems

The CCPS system that uses Safecomm Safety Communication Device can be integrated seamlessly with Police tracking and response system to track and respond in minutes to the site of the emergency when an user press the SOS button on the Safecomm Device.



• iSchool Pad

Accentia Technologies' research and development wing has put in a lot of research work to develop and device various methods to lift the current teaching methodology and take the current training to a different level to prepare our kids to for the global challenges. The highly experienced team members of the research and



development team which consists of teachers and lecturers with more than 20 year experience clubbed with the younger generation of software team who blend together to come up with the current curriculum in the most innovative manner.

This innovative iSchool Pad solution is aimed for students from LKG to XII standards for CBSE, ICSE and State Boards. The students will be able to exhibit the global competences once they fully explore the options and training methodology developed in iSchool Pad. This solution work in offline mode with all the subject content already loaded in it. Cutting or limiting the desire of learning is the biggest crime we can do to a student; hence we also have the option to connect to internet.

• A revolution in the making

Gone are the days when school kids used to carry their back-breathing bags full of text books and notebooks



everyday to and fro school/tuition class. Our custom-made education pad, iSchoolPad, can store in a very organized and structured manner, thousands of text books and study materials and infinite amount of scribbled/hand written notes. Creating a totally different experience and excitement among children towards education.

Yes, iSchoolPad is an all encompassing state-of-the-art educational solution aimed at moulding the future generation to compete in the 21st century global market place.

Education pad for all classes



eNoteBook

iSchoolPad Notebook is designed in such a way that it simplify the taking of class notes, foster better interaction in lectures. The notes that studnets prepare saves on the basis of date they create and also subject wise and even lesson wise. What more, students can also search the notes, just in case they have multiple pages already saved. It promotes more informed discussion and ease collaborative work. It provides the student and faculty a better in-class experience and should enhance the out-of-class interactions as well.



eTimeTable

What does it take your kid to become an extraordinary person? Leading a disciplined life, understanding the significance of "TIME". In this competitive world, it is of utmost importance that kids know the value of time and energy. It is important fo the kids develop to develop effective strategies for managing the time to balance the conflicting demands of time for study and leisure. Knowing the importance of the same, iKID has a module dedicated for the same.



eTextBook

Are you facing problems of standing in a long queue in the store waiting for your turn to buy your kids study materials? Have you faced the problem of the store running out of stock, for one book, for which you have to return again? Do you and your kids face the problem of covering the book and labeling them? Have you seen your kid licking their finger-tip to flip through the pages of their books? Did you find the pages of your kid's textbook missing OR torn? No more worries.



eStudyMaterial

A better way of educating the kids is to give them an opportunity to explore more on the subject that they are studying. Many a times the information provided in the book may not quench your thirst for learning and you feel, a kind of incompleteness. In iSchoolPad, we have done extensive research on the internet to help students find the apt link for the lesson that they are studying. These links are saved in such a manner that can be accessed easily. This helps in nderstanding and improving the half-acquired knowledge from the text books and note books.



eTestPaper

Constant monitoring of the kids performance is as equal as providing the basic education to them. iKID have the provision to conduct test for each lesson in each subject and the scores are well documented for further references. The questions are based on the lessons that they learnt and are objective time. After the test is completed the kids can get their scores instantly and the errors made are highlighted. This will help the kids learn from the mistakes instantly. The score sheets can also be viewed by parents, at any time of their choice.



Bookmarks

Save time on making notes! Read, learn and revise ALL your chapters with the help of intelligently prepared bookmark option. iSchoolPad provides the function to have the study materials stored as bookmarks which are available online. This helps students to go to a specific chapter/module which they have browsed in internet and open the same page with a single click. This saves time in browsing through internet searching for contents.



Photos

iSchoolPad comes in with an option to download and save images in a separate folder which can be utilized for learning purposes or as a reference material. Also, these images can help students while preparing their projects etc. The picture files saved as JPEG format and appear as thumbnails accompanied by data related to the art object and to the image file. In other words, every module in iSchoolPad ensures improved efficiency and capability among students towards learning.



Videos

In iSchoolPad, the study modules have been carefully designed to maximize child's learning and reinforce important concepts through multiple proven and effective formats including video formats, which increases the efficiency towards learning and teaching. It helps boost assimilation through good learning techniques and creation of variety of sensory. It is quite necessary to bring together all the latest development around the world and trying out all better way of making our kids equipped to the challenges of tomorrow.

INDEPENDENT AUDITOR'S REPORT

To the Members of Accentia Technologies Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Accentia Technologies Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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 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 of 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 the design, implementation and maintenance of adequate internal financial control 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.

Auditor's 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, issued by the Institute of Chartered Accountants of India, as 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 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 effectiveness of such controls. An audit also includes evaluating the appropriateness of 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2015, its profit, and its cash flows for the year ended on that date.

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 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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, Statement of Profit and Loss, and 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) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

The Company has disclosed the impact of pending litigations

on its financial position in its financial statements .

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For DMKH & Co.
Chartered Accountants
Firm Reg. No. – 116886W

CA. Durgesh Kabra

Place : Navi Mumbai

Date : November 30 2015

Partner

Membership No. : 044075

Annexure referred to in paragraph [1] under Report on Other Legal and Regulatory Requirements of our report of even date Re: Accentia Technologies Limited (the 'Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4 (ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, the Company has not granted during the year any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.

(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, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, there are disputed amounts payable in respect of provi-

dent fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(viii) The Company has accumulated losses at the end of the financial year and it has incurred cash losses in the current and immediately preceding financial year.

(ix) The Company has dues to financial institutions and bank during the year.

(x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xi) The Company has term loans outstanding during the year.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For DMKH & Co.
Chartered Accountants
Firm Reg. No. – 116886W

CA. Durgesh Kabra

Place : Navi Mumbai Partner
Date : November 30, 2015 Membership No. : 044075

BALANCE SHEET AS AT 31ST MARCH 2015

₹ in lakhs

| | Note | As at 31st March 2015 | | As at 31st March 2014 | |
|-------------------------------------|------|-----------------------|------------------|-----------------------|------------------|
| Equity and Liabilities | | | | | |
| Shareholders' Funds | | | | | |
| Share Capital | 2.01 | 1,702.46 | | 1,702.46 | |
| Reserves and Surplus | 2.02 | 15,999.22 | | 17,753.91 | |
| | | | 17,701.68 | | 19,456.37 |
| Non-Current Liabilities | | | | | |
| Long-term Borrowings | 2.03 | - | | 351.37 | |
| Deferred Tax Liabilities (Net) | 2.04 | 367.65 | | 727.14 | |
| Other Long-term Liabilities | 2.05 | 35.09 | | 32.43 | |
| | | | 402.74 | | 1,110.94 |
| Current Liabilities | | | | | |
| Short-term Borrowings | 2.06 | 4,892.42 | | 4,534.05 | |
| Trade Payables | 2.07 | 684.73 | | 724.09 | |
| Other Current Liabilities | 2.08 | 1,607.42 | | 1,605.23 | |
| Short-term Provisions | 2.09 | 1,089.73 | | 1,121.87 | |
| | | | 8,274.30 | | 7,985.24 |
| TOTAL | | | 26,378.71 | | 28,552.54 |
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Fixed Assets | | | | | |
| Tangible Assets | 2.10 | 601.71 | | 774.54 | |
| Intangible Assets | 2.10 | 2,525.75 | | 4,057.03 | |
| Capital work in progress | | | | - | |
| Intangible assets under development | | 5,292.45 | | 5,292.45 | |
| Non-current Investments | 2.11 | 11,914.71 | | 11,914.70 | |
| Defered tax assets (net) | | | | | |
| Deferred Tax assets (Net) | | | | | |
| Long-term Loans and Advances | 2.12 | 2,871.07 | | 3,126.27 | |
| | | | 23,205.68 | | 25,165.00 |
| Current Assets | | | | | |
| Trade Receivables | 2.13 | 2,552.87 | | 2,744.02 | |
| Cash & Bank Balances | 2.14 | 0.65 | | 2.35 | |
| Short-term Loans and Advances | 2.15 | 233.42 | | 227.09 | |
| Other Current Assets | 2.16 | 386.09 | | 414.09 | |
| | | | 3,173.03 | | 3,387.54 |
| TOTAL | | | 26,378.71 | | 28,552.54 |

Notes forming part of the financial statements

For Accentia Technologies Ltd

As per our report of even date attached
For DMKH & CO.
Chartered Accountants.

DURGESH KABRA
Partner
Membership No - 44075
Firm Registration no - 116886W

Pradeep Viswambharan
Director

Sooraj C K
Managing Director

PLACE: MUMBAI
Date : 30/11/2015

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

₹ in lakhs

| Particulars | Note | As at 31st March 2015 | | As at 31st March 2014 | |
|--|------|-----------------------|-------------------|-----------------------|-------------------|
| Income | | | | | |
| Sale of Services | 2.17 | 577.95 | | 3,905.72 | |
| Other Income | 2.18 | 2.37 | | 9.98 | |
| Total Revenue | | | 580.32 | | 3,915.70 |
| Expenses | | | | | |
| Employee Benefits Expense | 2.19 | 141.09 | | 1,809.13 | |
| Finance Costs | 2.20 | 719.99 | | 516.72 | |
| Depreciaton and amortization expense | | 1,704.11 | | 1,777.45 | |
| Other Expenses | 2.21 | 129.31 | | 1,434.82 | |
| Total Expenses | | | 2,694.51 | | 5,538.12 |
| Profit before exceptional items and taxes | | | - 2,114.19 | | - 1,622.42 |
| Exceptional items | | | - | | - |
| Profit before tax | | | - 2,114.19 | | - 1,622.42 |
| Tax expenses | | | | | |
| Current tax | | - | | - | |
| Excess Tax provision written back | | - | | - | |
| Deferred tax | | - 359.49 | - 359.49 | - 59.46 | - 59.46 |
| Net Profit for the Year | | | - 1,754.70 | | - 1,562.95 |
| | | | | | |
| Earning Per Share - Basic | | | - 10.31 | | - 9.18 |
| Earning Per Share -Diluted | | | - 10.31 | | - 8.96 |
| Weighted average number of shares (face value of Rs 10 each) | | | 17,024,570 | | 17,024,600 |
| Diluted Weighted average number of shares (face value of Rs.10 each) | | | 17,024,570 | | 17,444,311 |

Notes forming part of the financial statements

For Accentia Technologies Ltd

As per our report of even date attached
For DMKH & CO.
Chartered Accountants.

DURGESH KABRA

Partner

Membership No - 44075

Firm Registration no – 116886W

Pradeep Viswambharan

Director

Sooraj C K

Managing Director

PLACE: MUMBAI

Date : 30/11/2015

NOTES TO FINANCIAL STATEMENTS

2.01 Share Capital

₹ In Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|--|-----------------------|-----------------------|
| AUTHORISED | | |
| 2,00,00,000 (Previous Year-2,00,00,000) Equity Shares of Rs.10/- each | 2,000.00 | 2,000.00 |
| | 2,000.00 | 2,000.00 |
| ISSUED, SUBSCRIBED AND PAID-UP | | |
| 17,024,570 (Previous Year-1,46,30,996) Equity Shares of Rs.10/- each, fully paid | 1,702.46 | 1,702.46 |
| | 1,702.46 | 1,702.46 |

Details of Shareholder holding more than 5% shares:

| Name of Share holder | As at 31st March 2015 | | As at 31st March 2014 | |
|-------------------------|-----------------------|-----------|-----------------------|-----------|
| | No of Shares | % Holding | No of Shares | % Holding |
| Pradeep V S | 1,306,294.00 | 0.08 | 2,336,294.00 | 0.14 |
| Rajeev V S | 939,807.00 | 0.06 | 939,807.00 | 0.06 |
| Ajay Upadhyaya | 900,000.00 | 0.05 | - | - |
| Mayur Mangaldas Kothari | 1,153,505.00 | 0.07 | - | - |
| Berguren AP | - | - | 1,241,969.00 | 0.07 |

Reconciliation of number of shares:

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|------------------------------------|-----------------------|-----------------------|
| Number of shares as at 01.04.2014 | 17,024,570 | 17,024,570 |
| Add: Shares issued during the year | - | - |
| Number of shares as at 31.03.2015 | 17,024,570 | 17,024,570 |

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

Out of the above the following are for other than cash

Shares allotted during the last 5 years

| Year | No of shares | Remarks |
|---------|--------------|---|
| 2012-13 | - | preferential allotment. |
| 2010-11 | 1,188,313 | Alloted pursuant to the merger of Ascent Infoserve Pvt Ltd |
| 2007-08 | 4,640,713 | Alloted pursuant to the merger of Geosoft Technologies Ltd and Iridium Technologies Ltd |
| 2006-07 | 916,667 | shares allotted to the promoters of foreign companies |

NOTES TO FINANCIAL STATEMENTS

2.02 Reserves and Surplus

₹ in lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|---|--------------------------|--------------------------|
| <u>Capital Redemption Reserve</u> | | |
| Capital Subsidy Reserve | | |
| Balance as per last financial statements | 35.45 | 35.45 |
| Add: Transferred from Surplus | - | - |
| Closing Balance | 35.45 | 35.45 |
| Investment Subsidy | | |
| Balance as per last financial statements | 1.65 | 1.65 |
| Add: Transferred from Surplus | - | - |
| Closing Balance | 1.65 | 1.65 |
| Securities Premium Account | | |
| Balance as per last financial statements | 9,805.18 | 9,805.18 |
| Add: current year | - | - |
| Closing Balance | 9,805.18 | 9,805.18 |
| General Reserves I | | |
| Balance as per last financial statements | 460.10 | 460.10 |
| Add: Transferred from Surplus in Profit and Loss | - | - |
| Closing Balance | 460.10 | 460.10 |
| Surplus in the Profit and Loss | | |
| Balance as per last financial statements | 7,451.53 | 9,014.49 |
| Add: Net Profit for the year | - 1,754.70 | - 1,562.96 |
| Amount available for appropriation | 5,696.83 | 7,451.53 |
| Less : Apprporiation | | |
| Interim and Proposed Dividend | | |
| Provision for Tax on Dividend | | |
| Transferred from Debenture Redemption Reserve | - | - |
| Transferred to General Reserve I / General Reserve II | - | - |
| Net Surplus | 5,696.83 | 7,451.53 |
| Total Reserve and Surplus | 15,999.22 | 17,753.91 |

NOTES TO FINANCIAL STATEMENTS

2.03 Long-term Borrowings

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|-----------------------------------|-----------------------|-----------------------|
| (b) Term loans | | |
| From banks | | |
| Secured | - | 351.37 |
| Total Long Term Borrowings | - | 351.37 |

2.04 Deffered Tax Liabilities (net)

₹ in Lakhs

| | As at 31st March 2015 | As at 31st March 2014 |
|---|-----------------------|-----------------------|
| Deferred Tax Liability | | |
| On timing difference between book value of fixed assets | 367.65 | 727.14 |
| | 367.65 | 727.14 |
| Net Deferred Tax Liabilities | 367.65 | 727.14 |

2.05 Other Long Term Liabilities

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|-------------|-----------------------|-----------------------|
| Others | 35.09 | 32.43 |
| | 35.09 | 32.43 |

NOTES TO FINANCIAL STATEMENTS

2.06 Short-term Borrowings

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|-----------------------------------|-----------------------|-----------------------|
| <u>Secured</u> | | |
| <u>Loan repayable on demand</u> | | |
| From banks | 4,195.69 | 3,488.23 |
| | - | - |
| <u>Unsecured</u> | | |
| From Banks | - | - |
| Others (Inter Corporate Deposits) | 696.73 | 1,045.82 |
| | 4,892.42 | 4,534.05 |

2.06 (a) Short-term Borrowings-(Other Details)

₹ in Lakhs

| Particulars | Terms of repayment and security | As at 31st March 2015 | | As at 31st March 2014 | |
|---------------------------------|---|-----------------------|-----------|-----------------------|-----------|
| | | Secured | Unsecured | Secured | Unsecured |
| | | ₹ | ₹ | ₹ | ₹ |
| <u>SECURED</u> | | | | | |
| <u>Loan Repayable on demand</u> | | | | | |
| EXIM Bank Over Draft | Exim bank Overdraft is secured by all fixed assets and receivables of the company and promoters shares also is being pledged to the extent of 13,05,000 shares. | 4,195.69 | - | 3,488.23 | - |
| <u>UNSECURED</u> | | | | | |
| From Bank | | - | - | - | - |
| From Others | | 696.73 | - | 1,045.82 | - |
| | | - | - | - | - |
| Total - Term loans from banks | | 4,892.42 | - | 4,534.05 | - |

2.07 Trade Payables

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|---------------------------------------|-----------------------|-----------------------|
| Due to Micro & Small Enterprises (\$) | - | - |
| Trade Payables | 684.73 | 724.09 |
| | 684.73 | 724.09 |

\$ No amount is due beyond period of 30 Days and Nil interest is paid during the year

NOTES TO FINANCIAL STATEMENTS

2.08 Other Current Liabilities

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|--|-----------------------|-----------------------|
| Current Maturities of long term debt (2.08(a)) | 718.04 | 563.04 |
| Advance from Customers | 506.30 | 285.30 |
| Unclaimed Dividends | 1.15 | 1.39 |
| Interest Accrued but not due | - | - |
| Employee Benefits | 24.87 | 20.42 |
| Statutory remittances | 99.41 | 86.86 |
| Others | 257.65 | 648.22 |
| | 1,607.42 | 1,605.23 |

2.08(a)

₹ in Lakhs

| Particulars | Terms of repayment and security* | As at 31st March 2015 | | As at 31st March 2014 | |
|--------------------------------------|--|-----------------------|-----------|-----------------------|-----------|
| | | Secured | Unsecured | Secured | Unsecured |
| Current Maturities of long term debt | | ₹ | ₹ | ₹ | ₹ |
| Term Loan - L&T Finance | Term loan is taken from L&T finance by pledging the property located at Hyderabad and repayable quarterly over a period of next 5 years. | 465.63 | - | 465.63 | - |
| Axis Bank | Term Loan is taken from Axis Bank by pledging promoters' property. Loan amount due after one year are shown here. | 252.41 | - | 97.41 | - |
| TOTAL | | 718.04 | - | 563.04 | - |

2.09 Short-term Provisions

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|-------------------------------|-----------------------|-----------------------|
| Taxation less advance payment | - | 939.95 |
| Others | 849.51 | 181.92 |
| | 240.22 | |
| | 1,089.73 | 1,121.87 |

| | Cost | | | Depreciation | | | Net Book Value | | |
|----------------------------------|-------------------|---------------------------|----------------------------|--------------------|-----------------|----------------------------|--------------------|--------------------------------------|--------------------------------------|
| | As at 1.4.2014 | Additions/ Adjustments | Deductions/ Adjustments | As at 31.3.2015 | For the Year | Deductions/ Adjustments | Up to 31.3.2015 | Net Book Value as at 31.3.2015 | Net Book Value as at 31.3.2014 |
| 2.10 FIXED ASSETS | | | | | | | | | |
| TANGIBLE | | | | | | | | | |
| Freehold Land and Development | - | - | - | - | - | - | - | - | - |
| Leasehold Land and Development | - | - | - | - | - | - | - | - | - |
| Buildings | 684.83 | - | - | 684.83 | 35.81 | 326.70 | 362.51 | 322.32 | 358.13 |
| Water and Sanitary Installations | - | - | - | - | - | - | - | - | - |
| Electrical Installations | 89.55 | - | - | 89.55 | 3.69 | 63.03 | 66.72 | 22.83 | 26.52 |
| Plant & Machinery | 44.36 | - | - | 44.36 | 1.69 | 32.21 | 33.90 | 10.46 | 12.15 |
| Furniture & Fixtures | 247.63 | - | - | 247.63 | 13.53 | 172.88 | 186.41 | 61.22 | 74.75 |
| Computers | 1,560.43 | - | - | 1,560.43 | 112.07 | 1,280.27 | 1,392.33 | 168.10 | 280.16 |
| Office Equipment | 1.51 | - | - | 1.51 | 0.38 | 0.55 | 0.93 | 0.58 | 0.96 |
| Motor Vehicles | 64.22 | - | - | 64.22 | 5.66 | 42.34 | 48.01 | 16.21 | 21.88 |
| Total Tangibles | 2,692.53 | - | - | 2,692.53 | 172.83 | 1,917.99 | 2,090.82 | 601.71 | 774.54 |
| INTANGIBLE | | | | | | | | | |
| Goodwill | 2,194.49 | - | - | 2,194.49 | 248.25 | 1,345.04 | 1,593.29 | 601.20 | 849.45 |
| Capitalised Software | 6,837.87 | - | - | 6,837.87 | 1,283.03 | 3,630.29 | 4,913.32 | 1,924.55 | 3,207.58 |
| Total Intangibles | 9,032.37 | - | - | 9,032.36 | 1,531.28 | 4,975.32 | 6,506.60 | 2,525.75 | 4,057.03 |
| Total | 11,724.90 | - | - | 11,724.89 | 1,704.11 | 6,893.32 | 8,597.43 | 3,127.46 | 4,831.57 |
| Previous Year | 10,159.55 | 1,565.35 | - | 11,724.89 | 1,777.45 | 5,115.87 | 6,893.31 | 4,831.57 | 5,043.67 |

NOTES TO FINANCIAL STATEMENTS

Accentia Technologies Ltd Notes on Accounts

| | | | ₹ in Lakhs | ₹ in Lakhs |
|---|--------------------|--------------|-----------------------|-----------------------|
| 2.11 - NON- CURRENT INVESTMENTS | Face Value of each | Nos | As at 31st March 2015 | As at 31st March 2014 |
| LONG TERM | | | | |
| <u>Trade Investment (Fully Paid)</u> | | | | |
| <u>Investments in Equity Instruments</u> | | | | |
| <u>Unquoted</u> | | | | |
| <u>Investment in Subsidiaries</u> | | | | |
| Denmed Inc. | USD 1 | 1,000.00 | 1,228.85 | 1,228.85 |
| Investment-GSR PBS Inc. | USD 1 | 100.00 | 1,024.04 | 1,024.04 |
| Investment - GSR System Inc | USD 1 | 100.00 | 409.62 | 409.62 |
| Investment in Oak Technologies | USD 1 | 1,000.00 | 4,450.00 | 4,450.00 |
| Thunga Software Pvt.Ltd-Inv | Rs 10 | 2,304,345.00 | 577.59 | 577.59 |
| Accentia Technologies FZE | DHMS 100000 | 1.00 | 20.78 | 20.78 |
| Accentia Education Services Pvt Ltd | Rs 10 | 10,000.00 | 1.00 | 1.00 |
| | | | 7,711.88 | 7,711.88 |
| <u>Investments in Associates</u> | | | | |
| Stratgeic Tangent Corporation | USD 1 | 3,000.00 | 2,144.06 | 2,144.06 |
| | | | 2,144.06 | 2,144.06 |
| <u>Other Investments (Fully Paid)</u> | | | | |
| Trans Service Corporation | USD 1 | 500.00 | 1,090.89 | 1,090.89 |
| Medex Healthcare Global | USD 1 | 300.00 | 392.90 | 392.90 |
| Accentia Physician Services | USD 1 | 1,785.00 | 449.23 | 449.23 |
| <u>Investments in Equity Instruments</u> | | | | |
| <u>(a) Quoted</u> | | | | |
| Swarnajyothi Agrotech & Power Limited (Formerly known as Octant Innteractive Technologies Ltd) | Rs 10 | 149,627.00 | 25.12 | 25.12 |
| | | | 1,958.14 | 1,958.14 |
| <u>(b) Unquoted</u> | | | | |
| Inv. in Five X Finance & Investment Ltd. | Rs 10 | ##### | 100.43 | 100.43 |
| Kapol Co-Operative Bank Ltd. | Rs 10 | 2,030.00 | 0.20 | 0.20 |
| TECIL Chemicals & Hydropwer Ltd (written off during the year) | Rs 10 | 12,700.00 | - | - |
| | | | 100.63 | 100.63 |
| * Represent Amount less than Rs 1000 | | | | |
| | Total | | 11,914.71 | 11,914.70 |
| | | | - | - |
| | | | 11,914.71 | 11,914.70 |
| Total cost of Investments | | | | |
| Quoted | | | 25.12 | 25.12 |
| Unquoted | | | 11,889.58 | 11,889.58 |
| Aggregate Amount | | | 11,914.70 | 11,914.71 |

Market value of Quoted investments

2.27

2.27

NOTES TO FINANCIAL STATEMENTS

2.12 Long Term Loans, Advances and Deposits

₹ in Lakhs

| Particulars | As at 31st March 2015 | | As at 31st March 2014 | |
|--|-----------------------|-----------------|-----------------------|-----------------|
| | | | | |
| Secured (Unsecured, considered good unless otherwise stated) | | | | |
| Capital Advances | | 13.46 | | 12.49 |
| Deposits | | | | |
| - Considered Good | | 46.65 | | 59.89 |
| - Considered Doubtful | | | - | |
| Less: Provision for Doubtful Deposits | | | - | |
| Advance to Group Companies | | 2,665.29 | | 2,887.70 |
| Prepaid Expenses | | | | |
| Employee Loans and Advances | | | | |
| Others | | 145.67 | | 166.19 |
| | | 2,871.07 | | 3,126.27 |

2.13 Trade Receivables

₹ in Lakhs

| Particulars | As at 31st March 2015 | | As at 31st March 2014 | |
|---|-----------------------|-----------------|-----------------------|-----------------|
| | | | | |
| Over six months from the date they were due for payment: | | | | |
| Unsecured | | | | |
| - Considered Good | 2,345.50 | | - | |
| - Considered Doubtful | | 2,345.50 | | |
| Less : Provision for Doubtful Debts | | | | |
| Other Debts | | | | |
| Secured - Considered Good | | | 2,744.02 | |
| Unsecured - Considered Good | 207.37 | | | 2,744.02 |
| | | 207.37 | | |
| | | 2,552.87 | | 2,744.02 |

2.14 Cash and Bank Balances

₹ in Lakhs

| Particulars | As at 31st March 2015 | | As at 31st March 2014 | |
|--|-----------------------|-------------|-----------------------|-------------|
| | | | | |
| (a) Cash and Cash equivalents | | | | |
| (i) Balances with Banks | | | | |
| - in current accounts | 0.56 | | 2.15 | |
| - in deposit accounts with original maturity less than 3 months | | | | |
| (ii) Cash on hand | 0.09 | | 0.20 | |
| (iii) Remittances in transit | | 0.65 | | 2.35 |
| (b) Other Bank balances (Earmarked A/c) | | | | |
| (i) Unclaimed Dividend Account | - | | - | |
| (ii) Short-term bank deposits with maturity between 3 months and 12 months | | | | |
| | | - | | - |
| | | 0.65 | | 2.35 |

2.15 Short Term Loans and Advances

₹ in Lakhs

| Particulars | As at 31st March 2015 | | As at 31st March 2014 | |
|---------------------------------------|-----------------------|---------------|-----------------------|---------------|
| | | | | |
| Advances | | | | |
| Considered Good | | 233.42 | | 227.09 |
| Considered Doubtful | | | | |
| | | 233.42 | | 227.09 |
| Less: Provision for Doubtful Advances | | | | |
| | | 233.42 | | 227.09 |
| Advance to Subsidiary companies | | | | |
| | | 233.42 | | 227.09 |

NOTES TO FINANCIAL STATEMENTS

2.16 Other Current Assets

₹ in Lakhs

| Particulars | As at 31st March 2015 | | As at 31st March 2014 | |
|---------------------|-----------------------|---------------|-----------------------|---------------|
| | | | | |
| Contracts Purchased | | 386.09 | | 414.09 |
| Interest Accrued | | - | | - |
| | | 386.09 | | 414.09 |

2.17 Revenue from Operations

₹ in Lakhs

| Particulars | As at 31st March 2015 | | As at 31st March 2014 | |
|--------------------------------------|-----------------------|---------------|-----------------------|-----------------|
| | | | | |
| Sale of Services | | | | |
| Billing Income | | 125.67 | | 465.55 |
| Coding Income | | 94.56 | | 509.20 |
| EMR Income | | 154.18 | | 1,640.20 |
| Medical Transcription Income | | - | | 551.80 |
| Saas Income | | 203.54 | | 738.98 |
| | | | | |
| Total Revenue from operations | | 577.95 | | 3,905.72 |

2.18 Other Income

₹ in Lakhs

| Particulars | As at 31st March 2015 | | As at 31st March 2014 | |
|----------------------|-----------------------|-------------|-----------------------|-------------|
| | | | | |
| Interest Earned A/c | | 0.05 | | 7.28 |
| Other Income | | 2.32 | | 1.83 |
| Rent Received | | - | - | 0.52 |
| Miscellaneous Income | | - | | 0.35 |
| | | | | |
| | | 2.37 | | 9.98 |

2.19 Employee Benefits Expense

₹ in Lakhs

| Particulars | As at 31st March 2015 | | As at 31st March 2014 | |
|---------------------------------|-----------------------|---------------|-----------------------|-----------------|
| | | | | |
| Salaries, Wages and Bonus | 111.28 | | 1,800.45 | |
| other employee Benefit Expenses | 28.57 | | 6.46 | |
| Workmen and Staff Welfare | 1.25 | | 2.22 | |
| Total | | 141.09 | | 1,809.13 |

NOTES TO FINANCIAL STATEMENTS

2.20 Finance Costs

₹ in Lakhs

| Particulars | As at 31st March 2015 | | As at 31st March 2014 | |
|-------------------------------------|-----------------------|---------------|-----------------------|---------------|
| | | | | |
| Interest expense on borrowing costs | 680.45 | | 452.52 | |
| Others (Bank Charges) | 39.54 | | 64.20 | |
| Total | | 719.99 | | 516.72 |

2.21 Other Expenses

₹ in Lakhs

| Particulars | As at 31st March 2015 | | As at 31st March 2014 | |
|-----------------------------|-----------------------|---------------|-----------------------|-----------------|
| | | | | |
| Amortisation of contracts | | 28.00 | | 341.36 |
| Advertisement | | - | | 0.64 |
| Audit Fees | | 2.05 | | 0.86 |
| Communication Charges | | 4.60 | | 5.83 |
| Power and Fuel | | 9.55 | | 13.11 |
| Printing and Stationery | | - | | 4.78 |
| Professional charges | | 2.95 | | 8.33 |
| Miscellaneous Expenses | | 15.26 | | 6.64 |
| Rent | | - | | 20.01 |
| Rates & Taxes | | - | | 16.58 |
| Loss on sale of investments | | - | | 370.97 |
| Overseas Business Expenses | | 52.82 | | 615.18 |
| Repairs & Maintenance | | - | | 16.00 |
| Insurance | | - | | 3.27 |
| Travelling Expenses | | 14.08 | | 11.27 |
| Total | - | 129.31 | | 1,434.82 |

₹ in Lakhs

| Notes to accounts (Contd) | As at 31st March | |
|---|------------------|---------------|
| | 2015 | March 2014 |
| 2.22 Contingent Liabilities: | | |
| Estimated amounts of contracts remaining to be executed on capital account and not provided for | - | - |
| Claims under adjudication not acknowledged as debts: | | |
| i) Demands raised by Income Tax, Excise & Sales Tax Authorities | 58.01 | 58.01 |
| Contingent Liabilities: | | |
| i) Bank & other Guarantees | | |
| 2.23 Auditors Remuneration includes | | |
| Audit Fees | 1.37 | 1.50 |
| Taxation Matters | 0.45 | 0.50 |
| Other Services | 0.17 | 0.28 |
| Reimbursement of Expenses | 0.06 | 0.53 |
| Total | 2.05 | 2.81 |
| 2.24 Basic & Diluted Earnings Per Share: | | |
| Earnings Per Share has been computed as under: | | |
| a) Profit After Taxation (Rs Lakhs) | - 1,754.70 | - 1,562.95 |
| b) Weighted Average Number of Equity Shares | 17,024,570.00 | 17,024,570.00 |
| c) Basic Earnings Per Share (Rs.) (a)/(b) | - 10.31 | - 9.18 |
| d) Nominal value of share (Rs.) | 10.00 | 10.00 |
| 2.25 Earnings and Expenditure in Foreign Currency | | |
| Revenues | 577.95 | 3,905.72 |
| 2.26 Expenditure in Foreign Currency | | |
| Interest repayments | - | - |
| Overseas business expenses | 52.82 | 615.18 |
| Expenditure others | - | - |

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

(A) SIGNIFICANT ACCOUNTING POLICIES

The financial statements have also been prepared in accordance with the relevant presentational requirements of the Companies Act 2013.

1. Accounting convention & concepts

The presentation of the accounts is based on the Schedule III of the Companies Act, 2013, applicable from the financial year 2014-15. Assets & Liabilities are bifurcated into current and non-current based on 12 months period from the Balance Sheet date, as the Operating cycle of the Company is less than one year.

The company follows the financial system of accounting and recognizes Income and expenditure on an accrual basis. The accounts are prepared on historical cost basis as a going concern and materially compatible with the Generally Accepted Accounting Principles in India and accounting standards specified under section 133 of the Companies Act, 2013. The financial statements have been prepared in accordance with the Schedule III of Companies Act 2013

2. Use of Estimates

The preparation of financial statements in conformity with IGAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. Examples of such estimates and assumptions include useful lives of fixed assets and Intangible assets, taxes, provision for doubtful debts, anticipated obligations under employee retirement plans, etc. The recognition, measurement, classification or disclosures of an item or information in the financial statements have been made relying on these estimates to a greater extent. Actual results could differ from those estimates.

3. Revenue Recognition

Income from Medical Transcription, Coding and Billing and collection are recognized as income on completion of the service. Interest Income is recognized based on time proportion and on gross basis.

4. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost includes all identifiable expenditure to bring the assets to its present location and condition for intended use. Intangible assets are stated at the consideration paid for the purchase /

acquisition less accumulated amortization.

Capital work in progress includes advances paid for acquiring fixed assets and cost of assets not ready for use before the balance sheet date.

5. Depreciation

Depreciation on Fixed Assets has been provided on written down value method based on the useful life of the assets. Useful life of the fixed assets has been considered based on the technical evaluation certificate obtained from the approved values.

6. Investments

Investments are valued at cost of acquisition and include brokerage fees and incidental expenses, wherever applicable. Investments are classified as long term and are carried at cost with an appropriate provision of permanent diminution in value. Investments made in the wholly owned subsidiaries are valued at cost of acquisition including the acquisition expenses relating to it.

7. Taxation

Provision for current tax is based on tax liability computed in accordance with relevant tax rates and tax laws. Provision for deferred tax is made for all timing differences arising between taxable incomes and accounting Income at rates that have enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognized only if there is a reasonable certainty that they will be realized in future.

8. Foreign Exchange Transaction

Transactions in Foreign Currency are converted at the rates prevailing on the date of the transaction. Monetary assets and liabilities (for example Cash, receivables, payables etc.) denominated in foreign currency are translated into Indian Rupees at the rate of exchange prevailing at the balance sheet date.

Gain/loss on realization/Payment of revenue transactions in the same year is charged to "Exchange Fluctuation Account" in the Profit & Loss Account.

9. Impairment

The carrying amounts of assets are reviewed at each balance sheet date to check any indication of impairment based on internal/external factors. Impairment Loss is recognized whenever the carrying amount of an asset is in excess of its recoverable amount. The Impairment Loss is recognized as an expense in the Statement of Profit and Loss and carrying amount of the asset is reduced to its recoverable value.

NOTES TO FINANCIAL STATEMENTS

10. Deferred Revenue Expenditure

Amount paid for the purchase of contracts relating to the medical transcription and coding have been amortized and shall be written off over a period of 3 years being the period of contract.

11. Provision for Contingent Liabilities and Contingent Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires outflow of resources, which can be reliably estimated. Disclosures for contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not (in the opinion of the management), require outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements.

12. Earning per Share (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year duly adjusted for additional shares issued during the year, if any. The number of shares used in computing diluted EPS comprises the weighted average number of equity shares considered for deriving basic EPS, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity share

B) NOTES TO ACCOUNTS

1. Segment Information (AS-17)

Company has only one segment of activity namely "Healthcare Receivable Management", therefore segment reporting as defined in AS-17 does not apply.

2. Related Party Transactions:

As per the accounting standards 18 on "Related Party Disclosures" notified under Companies Auditing Standards Rules, 2006, the related Parties of the company and nature of relation are as follows:

| RELATED PARTY | NATURE OF RELATIONSHIP |
|-------------------------------------|--------------------------|
| Sooraj C. K. | Key Management Personnel |
| Pradeep S Viswambharan | Key Management Personnel |
| Shreedhar Parande Mukund | Key Management Personnel |
| Kezer Abbas Kharawala | Key Management Personnel |
| Thunga Software Pvt Ltd | Subsidiary |
| Accentia Technologies FZE | Subsidiary |
| GSR PBS Inc | Subsidiary |
| GSR Systems Inc | Subsidiary |
| Denmed Inc | Subsidiary |
| Oak Technologies Inc | Subsidiary |
| Accentia Education services Pvt Ltd | Subsidiary |

Nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows,

| Particulars | ₹ in Lakhs | |
|---|------------|---------|
| | 2014-15 | 2013-14 |
| Remuneration to Key Management Personnel | 0 | 41.7 |
| Advances Given Subsidiaries and closing balance | 10.17 | 2158.75 |
| Loans provided by the Directors | 152 | - |

3. Erstwhile Geo soft Technologies Ltd, has taken commercial premises under financial lease. The Company to recognize the lease as an asset and a liability. This has been disclosed pursuant to Accounting Standards 19, "Leases" issued by the Institute of Chartered Accountants of India.

4. The company has not received any intimation from the suppliers regarding The Micro, Small and Medium Development Act, 2006 (the Act) and hence disclosure regarding:

- Amount due and outstanding to suppliers as at the end of the accounting year.
- Interest paid during the year.
- Interest payable at the end of the accounting year.
- Interest accrued and unpaid at the end of accounting year and has not been provided. The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act.

5. In the opinion of the Board, the Current Assets, loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the financial statements and provision made for all known and determined liabilities are adequate and not in excess of the

NOTES TO FINANCIAL STATEMENTS

amount stated.

6. Previous year figures have been regrouped, reclassified and rearranged wherever necessary to confirm to this year's classification. Figures with previous year are not comparable due to merging of the company during the current year.

Notes forming part of the financial statements

For Accentia Technologies Ltd

As per our report of even date attached
For DMKH & CO.
Chartered Accountants.

DURGESH KABRA

Partner

Membership No - 44075

Firm Registration no – 116886W

Pradeep Viswambharan

Director

Sooraj C K

Managing Director

PLACE: MUMBAI

Date : 30/11/2015

CASH FLOW STATEMENT

(₹ in Lakhs)

| Particulars | | As at 31st March 2015 | As at 31st March 2014 |
|-------------|--|-----------------------|-----------------------|
| A | CASH FLOWS FROM OPERATING ACTIVITIES | | |
| | Net Profit before taxes and exceptional items | - 2,114.19 | - 1,622.42 |
| | Depreciation | 1,704.11 | 1,777.45 |
| | Interest Expense | 719.99 | 516.72 |
| | Exchange Fluctuation | - | - |
| | Interest and Dividend Income | - 0.05 | - 7.28 |
| | Amortisation of Contracts | 28.00 | 341.36 |
| | Investment Written off | - | 370.97 |
| | Operating profit/(loss) before Working capital changes | 337.87 | 1,376.80 |
| | Decrease/(Increase) in Current Assets | | |
| | Sundry Debtors | 191.15 | 2,483.64 |
| | Decrease/(Increase) in Current Assets | | |
| | Loans & Advances | 248.87 | 216.99 |
| | Decrease in Current Liabilities & Provisions | - 192.17 | 696.96 |
| | Purchase of Contracts amortised | | |
| | NET CASH FROM OPERATIONS (A) | 585.72 | 4,340.41 |
| B | CASH FLOWS FROM INVESTING ACTIVITIES | | |
| | Purchase of Fixed Assets | - | 4,591.93 |
| | Investments | - | - |
| | Sale of Investment | | - |
| | Interest and Dividend Income | 0.05 | 7.28 |
| | NET CASH FROM INVESTING ACTIVITIES (B) | 0.05 | 4,584.65 |
| C | CASH FLOWS FROM FINANCING ACTIVITIES | | |
| | Net Loan received/(Paid) from/(to) the banks | - 162.00 | 685.29 |
| | Interest on loans Paid | - 425.47 | 553.24 |
| | Amount refunded for cancellation of Share Warrants | - | 86.74 |
| | Additional Money received for issue of Share Warrants | - | - |
| | Dividend Paid | - | - |
| | Money received against new allotment | - | - |
| | NET CASH FROM FINANCING ACTIVITIES © | - 587.47 | 45.31 |
| | NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C) | - 1.70 | 198.93 |
| | CASH AND CASH EQUIVALENT AS AT BEGINNING OF THE YEAR | 2.35 | 201.28 |
| | CASH AND CASH EQUIVALENT AS AT THE END OF THE YEAR | 0.65 | 2.35 |

Notes forming part of the financial statements

For Accentia Technologies Ltd

As per our report of even date attached
For DMKH & CO.
Chartered Accountants.

DURGESH KABRA

Partner

Membership No - 44075

Firm Registration no – 116886W

Pradeep Viswambharan

Director & C E O

Sooraj C K

Managing Director

PLACE: MUMBAI

Date : 30/11/2015

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT

To the Members of Accentia Technologies Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Accentia Technologies Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the subsidiaries were separately audited by respective auditors), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with 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 of 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 control 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.

Auditor's Responsibility

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

the Institute of Chartered Accountants of India, as 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 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 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 as at March 31, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 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, based on the comments in the auditor's report of the Holding company and its subsidiary incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;

(b) In our opinion proper books of account as required bylaw relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary company incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses in long-term derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India.

For DMKH & Co.

Chartered Accountants
Firm Reg. No. – 116886W

CA. Durgesh Kabra

Partner
Membership No. : 044075

Place : Navi Mumbai

Date : November 30, 2014

Annexure referred to in paragraph [1] under Report on Other Legal and Regulatory Requirements of our report of even date

Re: The Group, comprising Accentia Technologies Limited ('Holding Company') and its subsidiary incorporated in India and to whom the provisions of the Order apply (herein after referred to as 'the Covered entity' in this report)

(i) a) The Holding Company and the Covered entity of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management of the Holding Company and the Covered entity during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the of the Holding Company and the Covered entity of the Group and the nature of its assets. No material discrepancies were noticed on such verification.

(ii) The business of the Holding Company and the Covered entity of the Group does not involve inventories and, accordingly, the requirements under paragraph 4 (ii) of the Order are not applicable to the Holding Company and the Covered entity of the Group and hence not commented upon.

(iii) According to the information and explanations given to us, the Holding Company and the Covered entity of the Group have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Holding Company and the Covered entity of the Group and hence not commented upon.

(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 Holding Company and the Covered entity of the Group and the nature of its businesses, for the purchase of fixed assets and the sale of services, to the extent applicable to the nature of the business of the Holding Company and the Covered entity of the Group. The activities of the Group do not involve purchase of inventory and the sale of goods. During the course of our audit, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entity of the Group in respect of these areas.

(v) The Holding Company and the Covered entity of the Group have not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Holding Company and the Covered entity of the Group.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in respect of the Holding Company.

(b) According to the information and explanations given to us, there are disputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and Covered entity of the Group.

(viii) The Holding Company and the Covered entity of the Group have accumulated losses at the end of the financial year and have incurred cash losses in the current and immediately preceding financial year.

(ix) The Holding Company and the Covered entity of the Group has dues to financial institutions and banks.

(x) According to the information and explanations given to us, the Holding Company and the Covered entity of the Group have not given any guarantee for loans taken by others from bank or financial institutions.

(xi) The Holding Company and the Covered entity of the group has term loan outstanding during the year.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Consolidated Financial Statements and as per the information and explanations given by the management, we report that no fraud on or by the Holding Company and the Covered entity of the Group have been noticed or reported during the year.

For DMKH & Co.

Chartered Accountants
Firm Reg. No. – 116886W

CA. Durgesh Kabra

Partner
Membership No. : 044075

Place : Navi Mumbai
Date : November 30, 2014

CONSOLIDATED BALANCE SHEET

₹ in Lakhs

| | Note | As at 31st March 2015 | As at 31st March 2014 |
|--------------------------------|------|--------------------------|--------------------------|
| Equity and Liabilities | | | |
| Shareholders' Funds | | | |
| Share Capital | 2.01 | 1,702.46 | 1,702.46 |
| Reserves and Surplus | 2.02 | 43,394.23 | 44,197.59 |
| | | 45,096.69 | 45,900.05 |
| Non-Current Liabilities | | | |
| Long-term Borrowings | 2.03 | - | 353.17 |
| Deferred Tax Liabilities (Net) | 2.04 | 298.21 | 677.02 |
| Other Long-term Liabilities | 2.05 | 35.09 | 32.95 |
| | | 333.30 | 1,063.14 |
| Current Liabilities | | | |
| Short-term Borrowings | 2.06 | 4,892.42 | 4,534.04 |
| Trade Payables | 2.07 | 1,218.17 | 1,280.25 |
| Other Current Liabilities | 2.08 | 1,812.84 | 1,999.47 |
| Short-term Provisions | 2.09 | 1,114.05 | 1,238.17 |
| | | 9,037.48 | 9,051.93 |
| TOTAL | | 54,467.46 | 56,015.12 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 2.10 | 689.30 | 875.13 |
| Intangible Assets | 2.10 | 5,331.88 | 8,733.92 |
| Capital work in progress | | 19,364.55 | 15,297.62 |
| Goodwill on consolidation | | 7,115.12 | 7,115.12 |
| Non-current Investments | 2.11 | 5,954.81 | 6,006.14 |
| Long-term Loans and Advances | 2.12 | 6,696.42 | 5,991.63 |
| | | 45,152.08 | 44,019.54 |
| Current Assets | | | |
| Trade Receivables | 2.13 | 6,426.09 | 9,214.37 |
| Cash & Bank Balances | 2.14 | 10.04 | 13.78 |
| Short-term Loans and Advances | 2.15 | 2,233.92 | 1,927.89 |
| Other Current Assets | 2.16 | 645.32 | 839.54 |
| | | 9,315.38 | 11,995.58 |
| TOTAL | | 54,467.46 | 56,015.12 |

Notes forming part of the financial statements

Notes forming part of the financial statements

For Accentia Technologies Ltd

As per our report of even date attached
For DMKH & CO.
Chartered Accountants.

DURGESH KABRA

Partner

Membership No - 44075

Firm Registration no – 116886W

Pradeep Viswambharan

Director

Sooraj C K

Managing Director

PLACE: MUMBAI

Date : 30/11/2015

CONSOLIDATED PROFIT AND LOSS STATEMENT

₹ in lakhs

| Particulars | Note | 31st March 2015 | 31st March 2014 |
|--|------|-------------------|-------------------|
| Income | | | |
| Revenue from Operations | 2.17 | 2,954.38 | 11,238.47 |
| Other Income | 2.18 | 5.78 | 23.93 |
| Total Revenue | | 2,960.16 | 11,262.41 |
| Expenses | | | |
| Employee Benefits Expense | 2.19 | 793.73 | 5,886.79 |
| Finance Costs | 2.20 | 742.30 | 520.39 |
| Depreciation and amortization expense | | 3,587.86 | 3,758.10 |
| Other Expenses | 2.21 | 368.44 | 3,484.05 |
| Total Expenses | | 5,492.33 | 13,649.33 |
| Profit before exceptional items and taxes | | (2,532.17) | (2,386.92) |
| Exceptional items | | - | - |
| Profit before tax | | (2,532.17) | (2,386.92) |
| Tax expenses | | | |
| Current tax | | - | - |
| Excess Tax provision written back | | - | - |
| Deferred tax | | (378.81) | (125.34) |
| Net Profit for the Year | | (2,153.36) | (2,261.57) |
| Share of loss from Associates | | (51.33) | (245.52) |
| Net Profit carried to the Balance Sheet | | (2,204.69) | (2,507.09) |
| Earning Per Share - Basic | | (12.95) | (14.73) |
| Earning Per Share - Diluted | | (12.95) | (14.73) |
| Weighted average number of shares (face value of Rs 10 each) | | 17,024,570 | 17,024,570 |
| Diluted Weighted average number of shares (face value of Rs.10 each) | | 17,024,570 | 17,024,570 |

Notes forming part of financial statements

Notes forming part of the financial statements

For Accentia Technologies Ltd

As per our report of even date attached
For DMKH & CO.
Chartered Accountants.

DURGESH KABRA

Partner

Membership No - 44075

Firm Registration no – 116886W

Pradeep Viswambharan

Director

Sooraj C K

Managing Director

PLACE: MUMBAI

Date : 30/11/2015

NOTES TO FINANCIAL STATEMENTS

2.01 Share Capital

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|--|-----------------------|-----------------------|
| AUTHORISED | | |
| 2,00,00,000 Equity Shares of Rs.10/- each | 2,000.00 | 2,000.00 |
| | 2,000.00 | 2,000.00 |
| ISSUED, SUBSCRIBED AND PAID-UP | | |
| 17,024,570 (Previous Year-1,46,30,996) Equity Shares of Rs.10/- each, fully paid | 1,702.46 | 1,702.46 |
| | 1,702.46 | 1,702.46 |

Details of Shareholder holding more than 5% shares:

| Name of Share holder | As at 31st March 2015 | | As at 31st March 2014 | |
|-------------------------|-----------------------|-----------|-----------------------|-----------|
| | No of Shares | % Holding | No of Shares | % Holding |
| Pradeep V S | 1,306,294 | 7.67% | 2,336,294 | 13.72% |
| Rajeev V S | 939,807 | 5.52% | 939,807 | 5.52% |
| Ajay Upadhyaya | 900,000 | 5.29% | - | 0.00% |
| Mayur Mangaldas Kothari | 1,153,505 | 6.78% | - | 0.00% |
| Bergurren AP | - | 0.00% | 1,241,969 | 7.30% |

Reconciliation of number of shares:

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|------------------------------------|-----------------------|-----------------------|
| Number of shares as at 01.04.2014 | 17,024,570 | 17,024,570 |
| Add: Shares issued during the year | - | - |
| Number of shares as at 31.03.2015 | 17,024,570 | 17,024,570 |

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of `10 per share.

Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after

distribution of all preferential amounts. The Distribution will be in proportion to the number of equity shares held by the shareholders.

Out of the above the following are for other than cash

Shares allotted during the last 5 years

| Year | No of shares | Remarks |
|---------|--------------|--|
| 2012-13 | - | preferential allotment |
| 2010-11 | 1,188,313 | Allotted pursuant to the merger of Ascent Infoserve Pvt Ltd |
| 2007-08 | 4,640,713 | Allotted pursuant to the merger of Geosoft Technologies Ltd and Iridium Technologies Ltd |
| 2006-07 | 916,667 | shares allotted to the promoters of foreign companies |

NOTES TO FINANCIAL STATEMENTS

2.02 Reserves and Surplus

₹ in lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|---|--------------------------|--------------------------|
| Investment Subsidy | 1.65 | 1.65 |
| Capital Reserve | | |
| Balance as on 01.04.2014 | 35.45 | 35.45 |
| Add: Transferred from Surplus | - | - |
| Capital Reserve | 35.45 | 35.45 |
| Securities Premium Account | | |
| Balance as per last financial statements | 9,805.18 | 9,805.18 |
| Add: current year | - | - |
| Closing Balance | 9,805.18 | 9,805.18 |
| General Reserves | | |
| Balance as on 01.04.2014 | 495.55 | 495.55 |
| Add: Transferred from Surplus in Profit and Loss | - | - |
| General Reserves | 495.55 | 495.55 |
| Foreign Currency Translation Reserve | | |
| Balance as on 01.04.2014 | 6,855.58 | 4,455.55 |
| Add: Additions during the year | 1,401.33 | 2,400.03 |
| Amalgamation Reserves | 8,256.91 | 6,855.58 |
| Surplus in the Profit and Loss | | |
| Balance as on 01.04.2014 | 27,004.17 | 29,511.27 |
| Add: Net Profit for the year | (2,204.69) | (2,507.09) |
| Amount available for appropriation | 24,799.48 | 27,004.17 |
| Less : Appropriations | | |
| Interim and Proposed Dividend | - | - |
| Provision for Tax on Dividend | - | - |
| Transferred from Debenture Redemption Reserve | - | - |
| Transferred to General Reserve I / General Reserve II | - | - |
| Net Surplus | 24,799.48 | 27,004.17 |
| Total Reserve and Surplus | 43,394.23 | 44,197.59 |

2.03 Long-term Borrowings

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|-----------------------------------|--------------------------|--------------------------|
| Term Loan | - | - |
| From Banks (Secured) | - | 351.37 |
| unsecured | - | - |
| Others (Inter Corporate Deposits) | - | 1.80 |
| Total Long Term Borrowings | - | 353.17 |

NOTES TO FINANCIAL STATEMENTS

2.03 (a) Details of terms of repayment for the other long-term borrowings and security provide

| Particulars | Terms of repayment and security |
|-------------------------------|--|
| Term loans from banks: | |
| L&T Finance | Term loan is taken from L&T finance by pledging the property located at Hyderabad and repayable quarterly over a period of 5 years. Loan amount due after one year are shown here. |
| Axis Bank | Term Loan is taken from Axis Bank by pledging promoters' property and repayable at equated monthly instalments. Loan amount due after one year are shown here. |
| Total - Term loans from banks | |

2.04 Deferred Tax Liabilities (net)

₹ in Lakhs

| | As at 31st March 2015 | As at 31st March 2014 |
|---|--------------------------|--------------------------|
| Deferred Tax Liability | | |
| On timing difference between book value of fixed assets | 298.21 | 677.02 |
| | 298.21 | 677.02 |
| Net Deferred Tax Liabilities | 298.21 | 677.02 |

NOTES TO FINANCIAL STATEMENTS

2.05 Other Long Term Liabilities

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|-------------|--------------------------|--------------------------|
| Others | 35.09 | 32.95 |
| | 35.09 | 32.95 |

2.06 Short-term Borrowings

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|--|--------------------------|--------------------------|
| <u>Secured</u> | - | - |
| <u>Loan repayable on demand</u> | | |
| From banks | 4,195.69 | 3,488.23 |
| <u>Unsecured</u> | - | - |
| From Banks | - | - |
| Loan from group companies | - | - |
| Others (Inter Corporate Deposits) | 696.73 | 1,045.82 |
| | 4,892.42 | 4,534.04 |

Term loan is taken from L&T finance by pledging the property located at Hyderabad and repayable quarterly over a period of next 5 years.

Exim bank Overdraft is secured by all fixed assets and receivables of the company and promoters shares also is being pledged to the extent of 13,05,000 shares.

External Commercial Borrowing from ICICI Bank has been secured on the receivables and fixed assets of the company pari pasu along with the Exim Bank and promoters shares pledged to the extent of 400000 shares.

Overdraft facility from the axis bank has been obtained by pledging the Promoters property situated at Trivandrum.

NOTES TO FINANCIAL STATEMENTS

2.06 (a) Short-term Borrowings-(Other Details)

₹ in Lakhs

| Particulars | Terms of repayment and security | As at 31 March, 2015 | | As at 31 March, 2014 | |
|---------------------------------|---|----------------------|-----------|----------------------|-----------|
| | | Secured | Unsecured | Secured | Unsecured |
| SECURED | | ₹ | ₹ | ₹ | ₹ |
| Loan Repayable on demand | | | | | |
| EXIM Bank Over Draft | Exim bank Overdraft is secured by all fixed assets and receivables of the company and promoters shares also is being pledged to the extent of 13,05,000 shares. | 4,195.69 | - | 3,488.23 | - |
| Term Loan from Banks | | | | | |
| Exim Bank Term Loan | | - | - | - | - |
| UNSECURED | | | | | |
| From Bank | | - | - | - | - |
| From Others | | 696.73 | - | 1,045.82 | - |
| | | - | - | - | - |
| Total - Term loans from banks | | 4,892.42 | - | 4,534.05 | - |

2.07 Trade Payables

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|---------------------------------------|-----------------------|-----------------------|
| Due to Micro & Small Enterprises (\$) | - | - |
| Trade Payables | 1,218.17 | 1,280.25 |
| | - | - |
| | 1,218.17 | 1,280.25 |

\$ No amount is due beyond period of 30 Days and Nil interest is paid during the year

NOTES TO FINANCIAL STATEMENTS

2.08 Other Current Liabilities

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|--|-----------------------|-----------------------|
| Current Maturities of long term debt (2.08(a)) | 718.04 | 563.04 |
| Advance from Customers | 601.45 | 285.30 |
| Unclaimed Dividends | 1.15 | 1.39 |
| Interest Accrued but not due | - | - |
| Others | 375.19 | 1,042.45 |
| Employee Benefits | 36.46 | 20.42 |
| Statutory remittances | 80.54 | 86.86 |
| | 1,812.84 | 1,999.47 |

2.08(a)

₹ in Lakhs

| Particulars | Terms of repayment and security* | As at 31 March, 2015 | | As at 31 March, 2014 | |
|---|--|----------------------|-----------|----------------------|-----------|
| | | Secured | Unsecured | Secured | Unsecured |
| Current Maturities of long term debt | | ₹ | ₹ | ₹ | ₹ |
| Term Loan - L&T Finance | Term loan is taken from L&T finance by pledging the property located at Hyderabad and repayable quarterly over a period of next 5 years. | 465.63 | - | 465.63 | - |
| Axis Bank | Term Loan is taken from Axis Bank by pledging promoters' property. Loan amount due after one year are shown here. | 252.41 | - | 97.41 | - |
| TOTAL | | 718.04 | - | 563.04 | - |

2.09 Short-term Provisions

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|-------------------------------|-----------------------|-----------------------|
| Taxation less advance payment | 864.13 | 939.95 |
| Others | 249.92 | 298.22 |
| | 1,114.05 | 1,238.17 |

| 2.10 FIXED ASSETS | C o s t | | | D e p r e c i a t i o n | | | N e t B o o k V a l u e | | |
|----------------------------------|-------------------|---------------------------|----------------------------|-------------------------|-------------------|-----------------|----------------------------|--------------------|--------------------------------------|
| | As at 1.4.2014 | Additions/ Adjustments | Deductions/ Adjustments | As at 31.3.2015 | As at 1.4.2014 | For the Year | Deductions/ Adjustments | Up to 31.3.2015 | Net Book Value as at 31.3.2014 |
| TANGIBLE | | | | | | | | | |
| Freehold Land and Development | - | - | - | - | - | - | - | - | - |
| Leasehold Land and Development | - | - | - | - | - | - | - | - | - |
| Buildings | 692.43 | - | - | 692.43 | 334.22 | 35.82 | - | 370.04 | 358.21 |
| Water and Sanitary Installations | - | - | - | - | - | - | - | - | - |
| Electrical Installations | 146.00 | - | - | 146.00 | 96.16 | 8.13 | - | 104.29 | 49.84 |
| Plant & Machinery | 77.12 | - | - | 77.12 | 66.45 | 1.70 | - | 68.15 | 10.67 |
| Library Books | 0.58 | - | - | 0.58 | 0.55 | 0.03 | - | 0.58 | 0.03 |
| Furniture & Fixtures | 535.93 | - | - | 535.93 | 406.54 | 20.39 | - | 426.93 | 129.39 |
| Computers | 2,476.13 | - | - | 2,476.13 | 2,198.08 | 108.77 | - | 2,306.85 | 278.05 |
| Office Equipment | 135.45 | - | - | 135.45 | 109.11 | 5.13 | - | 114.24 | 26.34 |
| Motor Vehicles | 74.57 | - | - | 74.57 | 51.98 | 5.85 | - | 57.83 | 22.59 |
| Total Tangibles | 4,138.21 | - | - | 4,138.21 | 3,263.08 | 185.82 | - | 3,448.91 | 875.13 |
| INTANGIBLE | | | | | | | | | |
| Goodwill | 2,194.49 | - | - | 2,194.49 | 1,345.04 | 248.25 | - | 1,593.29 | 849.45 |
| Capitalized Software | 16,411.42 | - | - | 16,411.42 | 8,526.95 | 3,153.78 | - | 11,680.74 | 7,884.46 |
| Total Intangibles | 18,605.91 | - | - | 18,605.91 | 9,871.99 | 3,402.03 | - | 13,274.03 | 8,733.92 |
| Total | 22,744.12 | - | - | 22,744.12 | 13,135.07 | 3,587.86 | - | 16,722.93 | 9,609.04 |
| Previous Year | 19,724.77 | 3,019.35 | - | 22,744.12 | 9,376.98 | 3,758.10 | - | 13,135.07 | 10,347.79 |
| CWIP | - | - | - | - | - | - | - | - | 15,297.62 |

NOTES TO FINANCIAL STATEMENTS

Accentia Technologies Ltd Notes on Accounts

| 2.11 - NON-CURRENT INVESTMENTS | Face Value | | ₹ in Lakhs | ₹ in Lakhs |
|---|------------|------------|-----------------------|-----------------------|
| | of each | Nos | As at 31st March 2015 | As at 31st March 2014 |
| LONG TERM | | | | |
| Investments in Associates | | | | |
| Strategic Tangent Corporation | USD 1 | 3,000.00 | 2,144.06 | 2,144.06 |
| | | | 2,144.06 | 2,144.06 |
| Other Investments (Fully Paid) | | | | |
| Investment in Trans Services Inc | USD 1 | 500.00 | 1,090.89 | 1,090.89 |
| Investment in Medex Healthcare Global | USD 1 | 300.00 | 392.90 | 392.90 |
| Investment in Accentia Physician Services | USD 1 | 1,785.00 | 449.23 | 449.23 |
| Investment in Alpine Technologies Inc | USD 1 | 2,250.00 | 1,544.07 | 1,544.07 |
| | | | 498.76 | 498.76 |
| Investments in Equity Instruments | | | | |
| (a) Quoted | | | | |
| Swarnajyothi Agrotech & Power Limited (Formerly known as Octant Innteractive Technologies Ltd) | Rs 10 | 149,627.00 | 25.12 | 25.12 |
| | | | 4,000.98 | 4,000.98 |
| (b) Unquoted | | | | |
| Inv. in Five X Finance & Investment Ltd. | Rs 10 | ##### | 100.43 | 100.43 |
| Kapol Co-Operative Bank Ltd. | Rs 10 | 2,030.00 | 0.20 | 0.20 |
| TECIL Chemicals & Hydropower Ltd (Written off during the previous year) | Rs 10 | 12,700.00 | - | - |
| | | | 100.63 | 100.63 |
| * Represent Amount less than Rs 1000 | | | | |
| | | | | |
| | Total | | 6,245.67 | 6,245.67 |
| Net appreciation/(provsion) in investments in associates under equity method | | | (290.86) | (239.53) |
| | | | - | - |
| | | | 5,954.81 | 6,006.14 |
| Total cost of Investments | | | | |
| Quoted | | | 25.12 | 25.12 |
| Unquoted | | | 5,929.68 | 5,981.01 |
| Aggregate Amount | | | 5,954.81 | 6,006.14 |
| Market value of Quoted investments | | | 2.27 | 2.27 |

NOTES TO FINANCIAL STATEMENTS

2.12 Long Term Loans, Advances and Deposits

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|--|--------------------------|--------------------------|
| Secured | - | - |
| (Unsecured, considered good unless otherwise stated) | - | - |
| Capital Advances | 3,006.78 | 2,787.28 |
| Deposits | - | - |
| - Considered Good | - | 59.89 |
| - Considered Doubtful | 98.48 | - |
| | - | - |
| Less: Provision for Doubtful Deposits | - | - |
| | - | - |
| Employee Loans and Advances | - | - |
| Loan to subsidiaries | 3,249.26 | 2,887.70 |
| Other Advances Considered Good | 341.90 | 256.76 |
| Other Advances Considered Doubtful | - | - |
| | - | - |
| Less: Provision for Doubtful Advances | - | - |
| | - | - |
| | 6,696.42 | 5,991.63 |

2.13 Trade Receivables

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|---|--------------------------|--------------------------|
| Over six months from the date they were due for payment: | - | - |
| Unsecured | - | - |
| - Considered Good | 5,267.45 | 3,205.00 |
| - Considered Doubtful | - | - |
| | - | - |
| Less : Provision for Doubtful Debts | - | - |
| Other Debts | - | - |
| Secured - Considered Good | - | - |
| Unsecured - Considered Good | 1,158.64 | 6,009.37 |
| Considered Doubtful | - | - |
| Less : Provision for Doubtful Debts | - | - |
| | - | - |
| | 6,426.09 | 9,214.37 |

NOTES TO FINANCIAL STATEMENTS

2.14 Cash and Bank Balances

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|--|--------------------------|--------------------------|
| (a) Cash and Cash equivalents | - | - |
| (i) Balances with Banks | - | - |
| - in current accounts | 8.65 | 12.19 |
| - in deposit accounts with original maturity less than 3 months | - | - |
| (ii) Cash on hand | 0.13 | 0.20 |
| (iii) Remittances in transit | - | - |
| (b) Other Bank balances | - | - |
| (i) Unclaimed Dividend Account | 1.26 | 1.39 |
| (ii) Short-term bank deposits with maturity between 3 months and 12 months | - | - |
| | - | - |
| | 10.04 | 13.78 |

2.15 Short Term Loans and Advances

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|-----------------|--------------------------|--------------------------|
| Advances | | |
| Considered Good | 2,233.92 | 1,927.89 |
| | 2,233.92 | 1,927.89 |

2.16 Other Current Assets

₹ in Lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|---------------------|--------------------------|--------------------------|
| Contracts Purchased | 645.32 | 839.54 |
| Others-Rent Deposit | - | - |
| Others | - | - |
| | - | - |
| | 645.32 | 839.54 |

NOTES TO FINANCIAL STATEMENTS

2.17 Revenue from Operations

₹ in lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|--------------------------------------|--------------------------|--------------------------|
| Revenue from operations | | |
| Billing Income | 968.45 | 3,197.97 |
| Coding Income | 456.78 | 1,522.83 |
| Medical Transcription Income | 579.30 | 1,245.29 |
| Provision for No Longer Required | - | - |
| EMR | 393.07 | 1,950.65 |
| Saas | 556.78 | 3,321.73 |
| Total Revenue from operations | 2,954.38 | 11,238.47 |

2.18 Other Income

₹ in lakhs

| Particulars | As at 31st March 2015 | As at 31st March 2014 |
|----------------------|--------------------------|--------------------------|
| Interest Earned | 0.05 | 7.28 |
| Other Income | 5.31 | 15.78 |
| Rent Received | - | 0.52 |
| Miscellaneous Income | 0.42 | 0.35 |
| | 5.78 | 23.93 |

2.19 Employee Benefits Expense

₹ in lakhs

| Particulars | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|--|--|--|
| Salaries, Wages and Bonus | 738.64 | 5,852.05 |
| Contribution to Provident Fund and other Funds | 5.45 | 6.46 |
| Workmen and Staff Welfare | 49.64 | 28.28 |
| | 793.73 | 5,886.79 |

NOTES TO FINANCIAL STATEMENTS

2.20 Finance Costs

₹ in lakhs

| Particulars | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|-------------------------------------|------------------------------------|------------------------------------|
| Interest expense on borrowing costs | 685.48 | 452.52 |
| Others (Bank Charges) | 56.82 | 67.87 |
| | 742.30 | 520.39 |

2.21 Other Expenses

₹ in Lakhs

| Particulars | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|--------------------------------|------------------------------------|------------------------------------|
| Amortization of contracts | 194.22 | 1,207.98 |
| Advertisement | 1.98 | 26.23 |
| Audit Fees | 7.82 | 11.80 |
| Communication Charges | 5.96 | 82.02 |
| Power and Fuel | 2.50 | 21.82 |
| Printing and Stationery | 2.32 | 20.52 |
| Professional charges | 1.59 | 12.62 |
| Transcription Charges | 1.93 | 11.39 |
| Miscellaneous Expenses | 4.81 | 110.92 |
| Repairs to Plant and Machinery | 0.54 | 13.18 |
| Building maintenance | 0.47 | 1.61 |
| Rent | 4.50 | 102.63 |
| Rates & Taxes | 3.45 | 45.01 |
| Overseas Business Expenses | 75.48 | 1,107.11 |
| Training expenses | 9.53 | 55.33 |
| Contract expenditure | - | 93.37 |
| Repairs & Maintenance | 25.10 | 70.57 |
| Insurance | 1.05 | 10.26 |
| Loss on sale of fixed assets | - | 370.97 |
| Travelling Expenses | 25.19 | 108.72 |
| | 368.44 | 3,484.05 |

NOTES TO FINANCIAL STATEMENTS

₹ in Lakhs

| | Notes to accounts (Contd) | As at 31st March 2015 | As at 31st March 2014 |
|------|---|--|--|
| 2.22 | <p>Contingent Liabilities:</p> <p>Estimated amounts of contracts remaining to be executed on capital account and not provided for</p> <p>Claims under adjudication not acknowledged as debts:</p> <p>i) Demands raised by Income Tax, Excise & Sales Tax Authorities</p> <p>Contingent Liabilities:</p> <p>i) Bank & other Guarantees</p> | <p>-</p> <p>58.01</p> <p>15.91</p> | <p>-</p> <p>58.01</p> <p>15.91</p> |
| 2.23 | <p>Auditors Remuneration includes</p> <p>Audit Fees</p> <p>Tax audit Fees</p> <p>Taxation Matters</p> <p>Other Services</p> <p>Reimbursement of Expenses</p> <p style="text-align: center;">Total</p> | <p>4.65</p> <p>0.27</p> <p>0.38</p> <p>0.29</p> <p>2.23</p> <p>7.82</p> | <p>8.50</p> <p>0.57</p> <p>0.50</p> <p>0.50</p> <p>3.09</p> <p>13.16</p> |
| 2.24 | <p>Basic & Diluted Earnings Per Share:</p> <p>Earnings Per Share has been computed as under:</p> <p>a) Profit After Taxation (Rs Lakhs)</p> <p>b) Weighted Average Number of Equity Shares</p> <p>c) Basic & Diluted Earnings Per Share (Rs.) (a)/(b)</p> <p>d) Nominal value of share (Rs.)</p> <p>e) Diluted Weighted Average Number of Equity Shares</p> <p>f) Diluted Earnings per share (Rs.) (a)/(e)</p> | <p>(2,204.69)</p> <p>17,024,570.00</p> <p>(12.95)</p> <p>10.00</p> <p>17,024,570.00</p> <p>(12.95)</p> | <p>(2,507.09)</p> <p>17,024,570.00</p> <p>(14.73)</p> <p>10.00</p> <p>17,024,570.00</p> <p>(14.73)</p> |

NOTES TO FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(A) SIGNIFICANT ACCOUNTING POLICIES

The financial statements have also been prepared in accordance with the relevant presentational requirements of the Companies Act 2013.

1. Accounting convention & concepts

The presentation of the accounts is based on the Schedule III of the Companies Act, 2013, applicable from the financial year 2014-15. Assets & Liabilities are bifurcated into current and non-current based on 12 months period from the Balance Sheet date, as the Operating cycle of the Company is less than one year.

The company follows the financial system of accounting and recognizes Income and expenditure on an accrual basis. The accounts are prepared on historical cost basis as a going concern and materially compatible with the Generally Accepted Accounting Principles in India and accounting standards specified under section 133 of the Companies Act, 2013. The financial statements have been prepared in accordance with the Schedule III of Companies Act 2013

2. Use of Estimates

The preparation of financial statements in conformity with IGAAP requires management to make estimates and assumptions that affect there ported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. Examples of such estimates and assumptions include useful lives of fixed assets and Intangible assets, taxes, provision for doubtful debts, anticipated obligations under employee retirement plans, etc. The recognition, measurement, classification or disclosures of an item or information in the financial statements have been made relying on these estimates to a greater extent. Actual results could differ from those estimates.

3. Basis of Consolidation

The consolidated financial statements are prepared in accordance with Accounting Standard 21 on Consolidated Financial Statements and Accounting Standard 23 on Accounting for

Investments in Associates in consolidated Financial Statements notified under Companies Accounting Standards Rules 2006

The consolidated Financial Statements are prepared on the following basis,

i) The financial statements of the holding company, all subsidiaries and associates are prepared according to uniform accounting policies, in accordance with generally accepted accounting policies in India.

ii) The financial statements of the holding company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra group balances, intra-group transactions and unrealized profits or losses thereon have been fully eliminated

iii) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average of month end foreign exchange rate .All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve

iv) The financial statements of the subsidiaries are used in consolidation are drawn up to the same reporting date as that of the Holding Company.

v) The excess value of the consideration given over the net value of the identifiable assets acquired in the subsidiary companies is recognized as "Goodwill" under fixed assets and is not being amortized. Good will is tested for the impairment on a periodic basis and written off, if found impaired.

vi) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.

vii) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and equity of the company's shareholders.

NOTES TO FINANCIAL STATEMENTS

viii) Subsidiaries included in Consolidation

| Name of the Enterprise | Country of incorporation | Nature of Business |
|-------------------------------------|--------------------------|---|
| Thunga Software Pvt Ltd | India | Health care BPO |
| Accentia Technologies FZE | U.A.E | Health care BPO |
| GSR PBS Inc | U.S | Health care BPO |
| GSR Systems Inc | U.S | Health care BPO |
| DenmedInc | U.S | Health care BPO |
| Oak Technologies Inc | U.S | Health care BPO |
| Accentia Education services Pvt Ltd | India | Consultancy service in education sector |

IX) Investment in Associates

| Name of the Enterprise | Country of incorporation | Nature of Business |
|-------------------------------|--------------------------|--------------------|
| Strategic Tangent Corporation | USA | Software |

4. Revenue Recognition

Income from Medical Transcription, Coding and Billing and collection are recognized as income on completion of the service. Interest Income is recognized based on time proportion and on gross basis.

5. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost includes all identifiable expenditure to bring the assets to its present location and condition for intended use. Intangible assets are stated at the consideration paid for the purchase / acquisition less accumulated amortization.

Capital work in progress includes advances paid for acquiring fixed assets and cost of assets not ready for use before the balance sheet date.

6. Depreciation

Depreciation on Fixed Assets has been provided on written down value method based on the useful life of the assets. Useful life of the fixed assets has been considered based on the technical evaluation certificate obtained from the approved values.

7. Investments

Investments are valued at cost of acquisition and include brokerage fees and incidental expenses, wherever applicable. Investments are classified as long term and are carried at cost with an appropriate provision of permanent diminution in value. Investments made in the wholly owned subsidiaries are valued at cost of acquisition including the acquisition expenses relating to it.

8. Taxation

Provision for current tax is based on tax liability computed in accordance with relevant tax rates and tax laws. Provision for

deferred tax is made for all timing differences arising between taxable incomes and accounting Income at rates that haven't acted or substantively enacted as of the balance sheet date. Deferred tax assets are recognized only if there is a reasonable certainty that they will be realized in future.

9. Foreign Exchange Transaction

Transactions in Foreign Currency are converted at the rates prevailing on the date of the transaction. Monetary assets and liabilities (for example Cash, receivables, payables etc.) denominated in foreign currency are translated into Indian Rupees at the rate of exchange prevailing at the balance sheet date.

Gain/loss on realization/Payment of revenue transactions in the same year is charged to "Exchange Fluctuation Account" in the Profit & Loss Account.

10. Impairment

The carrying amounts of assets are reviewed at each balance sheet date to check any indication of impairment based on internal/external factors. Impairment Loss is recognized whenever the carrying amount of an asset is in excess of its recoverable amount. The Impairment Loss is recognized as an expense in the Statement of Profit and Loss and carrying amount of the asset is reduced to its recoverable value.

11. Deferred Revenue Expenditure

Amount paid for the purchase of contracts relating to the medical transcription and coding have been amortized and shall be written off over a period of 3 years being the period of contract. The expenditure incurred for the training of the new employees has been amortized and shall be written off over a period of 5 years.

NOTES TO FINANCIAL STATEMENTS

12. Provision for Contingent Liabilities and Contingent Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires outflow of resources, which can be reliably estimated. Disclosures for contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not (in the opinion of the management), require outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements.

13. Earning per Share (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year duly adjusted for additional shares issued during the year, if any. The number of shares used in computing diluted EPS comprises the weighted average number of equity shares considered for deriving basic EPS, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity share

NOTES TO ACCOUNTS

1. Segment Information (AS-17)

Company has only one segment of activity namely "Healthcare Receivable Management", therefore segment reporting as defined in AS-17 does not apply.

2. Related Party Transactions:

As per the accounting standards 18 on "Related Party Disclosures" notified under Companies Auditing Standards Rules, 2006, the related Parties of the company and nature of relation are as follows:

| RELATED PARTY | NATURE OF RELATIONSHIP |
|-------------------------------------|--------------------------|
| Sooraj C. K. | Key Management Personnel |
| Pradeep S Viswambharan | Key Management Personnel |
| ShreedharParandeMukund | Key Management Personnel |
| Kezer Abbas Kharawala | Key Management Personnel |
| Thunga Software Pvt Ltd | Subsidiary |
| Accentia Technologies FZE | Subsidiary |
| GSR PBS Inc | Subsidiary |
| GSR Systems Inc | Subsidiary |
| DenmedInc | Subsidiary |
| Oak Technologies Inc | Subsidiary |
| Accentia Education services Pvt Ltd | Subsidiary |
| Strategic Tangent Corporation | Associate |

Nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows,

| Particulars | 2014-15 | 2013-14 |
|---|---------|---------|
| Remuneration to Key Management Personnel | 0 | 41.7 |
| Advances Given Subsidiaries and closing balance | 10.17 | 2158.75 |
| Loans provided by the Directors | 152 | - |

3. In the opinion of the Board, the Current Assets, loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the financial statements and provision made for all known and determined liabilities are adequate and not in excess of the amount stated.

4. Previous year figures have been regrouped, reclassified and rearranged wherever necessary to confirm to this year's classification. Figures with previous year are not comparable due to merging of the company during the current year.

Notes forming part of the financial statements

As per our report of even date attached
For DMKH & CO.
Chartered Accountants.

For Accentia Technologies Ltd

DURGESH KABRA

Partner

Membership No - 44075

Firm Registration no - 116886W

Pradeep Viswambharan

Director

Sooraj C K

Managing Director

PLACE: MUMBAI

Date : 30/11/2015

CONSOLIDATED CASH FLOW STATEMENT

| Particulars | | As at 31st March 2015 | As at 31st March 2014 |
|-------------|---|--------------------------|--------------------------|
| | | ₹ | ₹ |
| A | CASH FLOWS FROM OPERATING ACTIVITIES | | |
| | Net Profit before taxes and exceptional items | (2,532.17) | (2,386.92) |
| | Depreciation | 3,587.86 | 3,758.10 |
| | Preliminary Expenses and exceptional expenses | | - |
| | Interest Expense and Finance Charges | 742.30 | 520.39 |
| | Exchange Fluctuation | | - |
| | Interest and Dividend Income | (0.05) | (7.28) |
| | Non Cash Expenses | 194.22 | 1,578.95 |
| | Operating profit/(loss) before Working capital changes | 1,992.16 | 3,463.24 |
| | Decrease in Inventories | | - |
| | Increase in Miscellaneous Assets to the extent of not written off | - | - |
| | Decrease/(Increase) in Sundry Debtors | 3,123.28 | 3,768.34 |
| | Decrease in Loans & Advances | (1,010.82) | (1,420.10) |
| | Increase/(Decrease) in Current Liabilities & Provisions | (403.71) | 688.45 |
| | Income Tax paid during the year | - | - |
| (-) | Fringe Benefit Tax | | |
| (-) | Deferred Tax written off | | |
| | NET CASH FROM OPERATIONS (A) | 3,700.90 | 6,499.92 |
| B | CASH FLOWS FROM INVESTING ACTIVITIES | | |
| | Purchase of Fixed Assets | (3,122.80) | (5,961.71) |
| | Purchase of Investments | | (498.76) |
| | Contract Purchased | - | (314.68) |
| | NET CASH FROM INVESTING ACTIVITIES (B) | (3,122.80) | (6,775.15) |
| C | CASH FLOWS FROM FINANCING ACTIVITIES | | |
| | Proceeds from Shares allotment on preferential basis | - | - |
| | Proceeds from issue of share warrants | - | - |
| | Repayment of share warrants | - | (86.74) |
| | Net loan from the banks | (149.79) | 685.29 |
| | Interest Expense | (432.08) | (553.24) |
| | Interest and Dividend Income | 0.05 | 7.28 |
| | | - | - |
| | NET CASH FROM FINANCING ACTIVITIES © | (581.82) | 52.59 |
| | NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C) | (3.72) | (222.64) |
| | CASH AND CASH EQUIVALENT AS AT BEGINNING OF THE YEAR | 13.78 | 236.74 |
| | CASH AND CASH EQUIVALENT AS AT THE END OF THE YEAR | 10.04 | 13.78 |

Notes to the Cash Flow Statement for the year ended 31st March 2015

1. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

Notes forming part of the financial statements

For Accentia Technologies Ltd

As per our report of even date attached
For DMKH & CO.
Chartered Accountants.

DURGESH KABRA

Partner

Membership No - 44075

Firm Registration no – 116886W

Pradeep Viswambharan

Director & C E O

Sooraj C K

Managing Director

PLACE: MUMBAI

Date : 30/11/2015

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty Fourth Annual General Meeting of the members of Accentia Technologies Limited will be held on Thursday, 31st day of December, 2015 at the Registered Office of the Company at 04.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the year ended March 31, 2015 including Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement and the explanatory note for the year ended on that date together with the Report of the Directors' and Auditors' thereon and the Consolidated Audited Financial Statement for the year ended March 31, 2015.
2. To appoint a Director in place of Mr. Bobichen Jacob Thomas, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the re-appointment of the Auditors M/s. DMKH & Co, Chartered Accountants (Firm Registration No. 116886W), to hold office from the conclusion of Twenty Fourth Annual General Meeting (AGM) till the conclusion of the Twenty Sixth Annual General Meeting of the Company be and is hereby ratified and the said Auditors be paid such remuneration as may be decided by the Audit Committee of the Board of Directors of the Company."

Navi Mumbai
07.12.2015
For and on behalf of the Board
Accentia Technologies Limited

Sooraj C.K.
Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/ HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER.
Proxies in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Register of Members and Share Transfer Books of the Company will remain closed from December 24, 2015 to December 31, 2015 (both days inclusive).
3. All documents referred to in the Notice and the Explanatory Statement will be available for inspection by the members at the Registered Office of the Company between 11.00 AM and 1.00 P.M. on all working days (except Saturdays) up to the date of the Annual General Meeting.
4. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be restricted by the Attendance Slip. Members are requested to write their Client ID and DP ID numbers/ Folio Number (as applicable) on the Attendance slip, affix their signature and hand it over at the entrance hall.
5. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
6. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

7. Members holding shares in electronic form are advised to send their request for the change of address, Bank particulars, Residential status or request for transmission of shares etc to their Depository Participant. The Company or its Registrar and Share Transfer Agent cannot act on any such requests received directly from the members holding shares in electronic form. Members holding shares in physical form are advised to send such request to Registrar and Share Transfer Agent of the Company- Sharex Dynamic (India) Pvt. Ltd, Unit no.1, Luthra Ind.Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072 T: 2851 5606/ 5644/ 6338. Email id: evoting@sharexindia.com

8. Notice of the AGM along with Annual Report 2014-15 is being sent by electronic mode to those members whose email addresses are registered with the Company/ Depository Participants unless any member has requested for the physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by permitted mode. To support the Green Initiative, members (holding shares in electronic form) who have not registered their email addresses, are requested to register the same with their Depository Participants. Members holding shares in physical mode are requested to register their email ID with the Registrar and Share Transfer Agent of the Company.

9. Voting through electronic means:

The Company is pleased to provide to its members the facility to exercise their rights to vote at the Twenty Fourth Annual General Meeting by electronic means through the e-voting facilities provided by Central Depository Services (India) Limited (CDSL).

In case of members receiving the Annual Report through e-mail, the process for e-voting is as under:

Log on to the e-voting website www.evotingindia.com during the voting period.

Click on "Shareholders" tab.

Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Members holding shares in Physical Form should enter Folio Number registered with the Company.

Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) |
| | 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 sequence number in the PAN field. |
| | In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details# | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio no. |
| | • 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. |
| | After entering these details appropriately, click on "SUBMIT" tab. |

NOTICE OF ANNUAL GENERAL MEETING

(viii) 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. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN to choose <ACCENTIA TECHNOLOGIES LIMITED> to vote.

(xi) 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.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(ixv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Note for Non-Individual Shareholders & Custodians

- Non-Individual 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 and custodians respectively
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

B) In case members receiving physical copy of the Annual Report, please follow all the steps mentioned in (A) above.

General Information

(A) The voting period begins on Monday, December 28, 2015, 9:00 AM and ends on Wednesday, December 30, 2015, 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) Thursday, December 24, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(B) Members have an option to vote either electronically (availing the services provided by CDSL) OR by using the poll slips to be distributed at the meeting. If members have cast their vote electronically, then they should not cast their vote at the meeting. However if a member has voted electronically and has again voted at the meeting, then the voting done through

NOTICE OF ANNUAL GENERAL MEETING

e-voting shall prevail and voting done at the meeting shall be treated as invalid.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

11. The Company has appointed JBP & Associates (FCS. 7475 and CP. 7144), Company Secretaries, Thiruvananthapuram, as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

12. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in employment of the Company and make not later than 3 (three) days of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman and/or Manager or a person authorized by him in writing who shall counter sign the same.

13. The results shall be declared forthwith upon receipt of the Scrutinizer’s Report. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.accentiatech.com and on the website of CDSL. The Results shall also be communicated to the stock exchanges where shares of the Company are listed.

ACCENTIA TECHNOLOGIES LIMITED

Registered office:

D-207, Second Floor, International Infotech Centre, Belapur Railway Station, Sector II, CBD Belapur, Navi Mumbai, Mumbai 400 614

PROXY FORM

Twenty Fourth Annual General Meeting - 31st December, 2015

Regd. Folio No/ DP Client ID: _____

I / We _____, of _____ in the district of _____ being a member / member(s) of the Company, hereby appoint _____ of _____ in the district of _____ or failing him/ her _____ of _____ in the district of _____ as my / our proxy to vote for me / us on my/ our behalf at the Twenty Fourth Annual General Meeting of the Company to be held at D-207, Second Floor, International Infotech Park, Belapur Railway Station Complex, CBD Belapur, Navi Mumbai, Mumbai 400 614, at 4.00 P.M on Thursday, December 31, 2015 and at any adjournment(s) thereof.

Signed thisday of....., 2015

Affix Re.1
Revenue
Stamp

SIGNATURE _____

Note :

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. If used, it should be returned to the Registered Office of the Company duly completed not later than forty-eight hours before commencing the meeting.



ACCENTIA TECHNOLOGIES LIMITED

Registered office:

D-207, Second Floor, International Infotech Centre, Belapur Railway Station Complex, CBD Belapur, Navi Mumbai, Mumbai 400 614

ATTENDANCE SLIP

Twenty Fourth Annual General Meeting - 31st December, 2015

Regd. Folio No/ DP Client ID: _____

No. of shares held _____

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company to be held at D-207, Second Floor, International Infotech Park, Belapur Railway Station Complex, CBD Belapur, Navi Mumbai, Mumbai 400 614, at 4.00 P.M on Thursday, December 31, 2015.

Name of the member / proxy
(in BLOCK letters)

Signature of the member/ proxy

Note: please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copy of the Annual Report to the meeting.

Accentia Technologies Ltd
Regd. Office: D-207, Second Floor, International Infotech Centre
Belapur Railway Station Complex, CBD Belapur, Navi Mumbai 400 614
India

Info@accentiatech.com



www.accentiatech.com