



ACCELYA

Complexity Simplified

Accelya Kale Solutions Limited

COST MANAGEMENT

REVENUE ACCOUNTING

CARD MANAGEMENT

DECISION SUPPORT

MISCELLANEOUS BILLING

CARGO AUDIT

CONTRACT MANAGEMENT

REVENUE RECOVERY

28th Annual Report 2013-14

CORPORATE OFFICE & DEVELOPMENT CENTRE

Thane

3rd Floor, Modi House,
Eastern Express Highway,
Naupada,
Thane(W) - 400 602, India
Tel:+ 91-22-6780 8888
Fax:+ 91-22-6780 8899

DEVELOPMENT CENTRE

Pune

Accelya Enclave, 685/2B & 2C,
1st Floor, Sharada Arcade,
Satara Road,
Pune 411 037, India
Tel:+ 91-20-6608 3777
Fax:+ 91-20-2423 1639

MPS

Mumbai

Ackruti Trade Centre, Road No. 7,
MIDC, Andheri (E),
Mumbai 400 093, India.
Tel:+ 91-22-6769 3700
Fax:+ 91-22-6679 3717

602, Ackruti Centre Point,
Central Road, MIDC
Andheri (E),
Mumbai 400 093, India
Tel:+ 91-22-6627 9900
Fax:+ 91-22-6627 9999

Pune

AG-4 and AG-5,
Ground Floor, Sharada Arcade,
Satara Road,
Pune 411 037, India
Tel:+ 91-20-6608 3777
Fax:+ 91-20-2423 1639

Goa

Office No. 6 - 10,
Nucleus,
Bardez,
Alto Porvorim, Goa, India
Tel:+ 91-832-651 1526

INTERNATIONAL OFFICES

USA

2035 Lincoln Highway, Suite 1150
Edison, NJ 08817
Tel: +18482600549

UK

Avenue Court, Victoria Avenue,
Camberley, Surrey, GU15 3HX
United Kingdom.
Tel: + 44 12 7640 1201

Board of Directors

Philippe Lesueur	Chairman
Vipul Jain	Managing Director
K.K. Nohria	Director
Sekhar Natarajan	Director
Nani Javeri	Director
Sangeeta Singh	Director

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Auditor

M/s. B S R & Co., LLP
Chartered Accountants

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Company Secretary

Ninad Umranikar

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Bankers

State Bank of India
ICICI Bank Ltd.
HDFC Bank Ltd.

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Registered Office

Accelya Enclave, 685/2B & 2C,
1st Floor, Sharada Arcade,
Satara Road,
Pune - 411 037.
Tel. No. +91 20 6608 3777
Fax No. +91 20 2423 1639
Website : www.accelyakale.com
CIN : L74140PN1986PLC041033

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Registrar and Share Transfer Agent

Karvy Computershare Pvt. Ltd.,
Plot No. 17 to 24,
Near Image Hospital,
Vittalrao Nagar, Madhapur,
Hyderabad - 500 081.
Tel. : +91 40 2342 0815 / 2342 0817
Fax : +91 40 2342 0814

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Dear Shareholders,

This year Accelya Kale had its own set of challenges and opportunities. Overall we have been able to maintain our revenues and earnings to last year's levels and continue on our journey of innovation and winning new customers.

The company's revenues and profits at a consolidated level have grown marginally. Total revenues for FY 2014 stood at Rs. 3,215.30 million and net profit after tax was at Rs. 861.92 million. This is despite the loss of a significant sized customer contract, which was made up partly by acquisition of new customers like Hawaiian Airlines, GoAir and Garuda Indonesia.

Accelya Kale continued the practice of rewarding its shareholders, with dividends. This year, the total dividend is Rs. 49 per share, including Rs. 22 per share recommended as final dividend.

I am pleased to share that we accomplished a major technology refresh to our flagship product- REVERA®. The enhanced version of REVERA sets new benchmarks in Revenue Accounting on accuracy, speed and intelligence – across passenger, cargo and airmail. REVERA NEXT is now ready from technology perspective to meet demands of global airlines for the next decade. It will also help in creating further differentiation vis-à-vis our competitors.

REVERA NEXT also addresses the needs of Low Cost Carriers who are moving to hybrid models. We see this as a potential opportunity to grow our market share in the industry.

Accelya Kale's Finesse suite of products has been well received by the Airline industry. On the back of excellent traction to miscellaneous billing solution- FinesseMBS™, the Company launched FinesseCost™ to help airlines prevent overpayments to suppliers and efficiently manage their Direct Operating Costs (DOC).

I am also delighted to share that during the year Accelya Group was acknowledged 'IT Company of the year 2014' by Air Transport News Awards and 'Information Technology for the Air Cargo Industry 2014' at the ACW World Air Cargo Awards 2014. These awards are testament to the value delivered by our Group to our customers and the airline industry.

I look forward to your continued support as we enter the new financial year.

Yours truly,

A handwritten signature in black ink, appearing to read 'Vipul Jain', written over a horizontal line.

Vipul Jain
CEO & Managing Director

To,

The Members,

Your Directors are pleased to present the Twenty Eighth report on the business and operations of the Company for the year ended June 30, 2014.

Financial Results		Rs. in Million	
Particulars	2013-14	2012-13	
Total Revenue			
- Revenue from Services	2,832.06	2,623.84	
- Other Income	193.49	47.21	
Total	3,025.55	2,671.05	
Total Expenditure	1,740.62	1,626.33	
Profit before Tax and Exceptional Items	1,284.93	1,044.72	
Exceptional Items	-	-	
Profit Before Tax and After Exceptional Items	1,284.93	1,044.72	
Provision for Tax			
- Current Tax	387.93	343.70	
Deferred Tax Charge			
- Current Tax	23.73	(11.42)	
Dividend Distribution Tax Credit	(22.66)	-	
Profit After Tax	895.93	712.44	
Profit brought forward from previous year	137.58	507.48	
Accumulated balance of Zero Octa Selective Sourcing India Private Limited, brought forward incorporated pursuant to the Scheme of Amalgamation	-	211.83	
Accumulated balance of Zero Octa Recruitment and Training (India) Private Limited, brought forward incorporated pursuant to the Scheme of Amalgamation	-	(0.51)	
Profit available for appropriation	1,033.51	1,431.24	
Appropriations:			
- Transferred to General Reserves	89.59	71.24	
- Interim Dividend	403.00	447.79	
- Proposed Dividend	328.38	597.05	
- Dividend Distribution Tax	124.30	177.57	
- Balance Carried Forward to Balance Sheet	88.24	137.58	

Dividend

The Company had declared and paid an interim dividend of Rs.27 per equity share during the year.

Your Directors are pleased to recommend a final dividend of Rs.22 per equity share for the financial year ended June 30, 2014.

Operating Results

Considering the current economic scenario where the GDP growth in the country has been less than 5% for the second consecutive year, your Company's performance has shown a steady growth.

During the year under review, your Company's total revenues have increased by 13.27% from Rs. 2,671.05 million to Rs.3,025.55 million. The total expenditure for the year 2013-14 stood at Rs. 1,740.62 million as against Rs. 1,626.33 million in the previous year, a marginal increase of 7.03%.

The Profit before tax for 2013-14 increased to Rs. 1,284.93 million from Rs. 1,044.72 million in the previous year, an upsurge of 22.99%.

The Company has registered profit after tax of Rs.895.93 million in the current year as against Rs. 712.44 million in the previous year, an impressive growth of 25.76%.

Business Operations

Accelya Kale continued with its focus on innovation, increased productivity and quality by launching some key solutions during the year:

- The Company accomplished a major technology refresh to its flagship product- REVERA®. The enhanced version of REVERA sets new benchmarks in Revenue Accounting on accuracy, speed and intelligence – across passenger, cargo and airmail.

Accelya Kale's Finesse suite of products has been well received by the Airline industry. On the back of excellent traction to miscellaneous billing solution- FinesseMBS™; the Company launched FinesseCost™ to help airlines prevent overpayments to suppliers and efficiently manage their Direct Operating Costs (DOC).

- In a bid to help airlines easily evaluate their interline performance, the Company launched eSpin™. Web-based and easy to use, eSpin helps airlines evaluate interline billing and bring greater efficiency into their operations.

Accelya Kale further consolidated its position as the leading and preferred solution provider to the Airline industry and added leading global airlines to its growing customer list. Some of these were:

- Hawaiian Airlines, the largest carrier in Hawaii, USA, selected Accelya Kale's passenger revenue accounting solution, REVERA PRA, to re-engineer their passenger revenue accounting process.

- Bangkok Airways, Asia's boutique airline, selected Accelya Kale to provide services including the complete Book-to-Cash cycle including passenger revenue accounting, cargo revenue accounting, sales audit, card billing and miscellaneous billing.
- GoAir, a leading budget carrier from India, chose Accelya's REVERA NEXT to automate its revenue accounting process, build in better audit controls and be future-ready to accommodate any changes in business model.
- Flybe, Europe's largest independent regional airline selected FinesseMBS™ solution to automate and standardise the entire miscellaneous billing process.
- Garuda Indonesia, national carrier of Indonesia outsourced its fare filing to Accelya Kale.

The Company was conferred with some prestigious awards during the year. Accelya Kale was once again featured in the prestigious Forbes Asia's 200 List of 'Best Under a Billion'. This is the second time the Company has featured in the elite list after having featured in 2011 for the first time. Accelya Kale was also voted as 'IT Company of the year 2014' by leading global media awards viz. Air Transport News Awards and Air Cargo Week World Air Cargo Awards.

Subsidiaries

The Central Government has, vide General Circular No:2 / 2011 dated February 8, 2011, granted general exemption to companies from attaching a copy of the Balance sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of subsidiary companies, subject to the fulfillment of certain conditions mentioned therein. As a result, the Balance sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the following subsidiary companies:

- a) Kale Softech Inc.
- b) Kale Revenue Assurance Services Limited
- c) Zero Octa UK Limited

do not form part of this Annual Report. The annual accounts of the subsidiary companies and related detailed information shall be made available to shareholders of the Company and of subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be available for inspection by any shareholders at the registered office of the Company and of the subsidiary companies concerned. These documents can be requested by any shareholder of the Company. Further, in line with the Listing Agreement and in accordance with the Accounting standard 21 (AS-21), the Consolidated Financial Statements prepared by the Company include financial information of its subsidiaries.

Directors

Mr. Philippe Lesueur retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Mr. Lesueur is also the Chairman of Accelya Holding World S.L. headquartered in Barcelona, Spain. Mr. Lesueur is well known and highly respected in the airline industry where he has spent more than 30 years. Under his leadership, the business of Accelya has grown from BSP (billing and settlement plan) processing in one country in 1982 to cover more than 108 countries and volumes that exceed 180 million tickets per year.

Companies in which Mr. Philippe Lesueur is a director

Accelya Holding World S.L.	Kale Softech Inc.
Accelya World S.L.U.	Zero Octa UK Limited
Accelya UK Limited	Kale Revenue Assurance Services Limited
Accelya France SAS	Accelya Portugal Unipessoal, Ltda.
Accelya Luxembourg S.A.	Accelya Holding (Luxembourg) S.A.

Mr. Lesueur does not hold any shares in the Company.

As per section 149(4) of the Companies Act, 2013, every listed public company is required to have at least one-third of the total number of directors as Independent Directors.

In accordance with the provisions of section 149 of the Act, Mr. K. K. Nohria, Mr. Sekhar Natarajan and Mr. Nani Javeri are being appointed as independent directors to hold office for a period of five years from the date of the forthcoming Annual General Meeting (AGM) of the Company. Mr. K. K. Nohria, Mr. Sekhar Natarajan and Mr. Nani Javeri shall not be liable to retire by rotation.

Ms. Sangeeta Singh was appointed as an additional director by the Board of Directors on 18th July, 2014. She is an independent director. The term of Ms. Singh as an additional director expires at the forthcoming AGM. If appointed at the forthcoming AGM, she will be an independent director from the date of forthcoming AGM till 17th July, 2019. Ms. Sangeeta Singh shall not be liable to retire by rotation.

Auditors

Pursuant to section 139 of the Companies Act, 2013 and the Rules made thereunder, it is proposed to appoint M/s. B S R & Co. LLP, Chartered Accountants as statutory Auditors of the Company for a period of two years from the conclusion of the ensuing Annual General Meeting until the conclusion of the 30th Annual General Meeting and to fix their remuneration for the year 2014-15.

Directors' Responsibility Statement

Your Directors confirm that –

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

- 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 Directors' Report a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the directors had prepared the annual accounts on a going concern basis.

Human Resource

The Board has not granted any stock options during the year under review. During the year the Company also did not have any options in force. Therefore the details required to be given under the SEBI (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines, 1999 are not being given.

During the year, the Company had cordial relations with its employees.

Corporate Governance

A report on Corporate Governance is set out separately, which forms part of this report.

Fixed Deposits

During the year your Company has not accepted fixed deposits from the public.

Particulars of Employees

In terms of the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars are required to be attached to this Report. However, as per the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report of your Company sent to the shareholders do not contain the said annexure. Any member desirous of obtaining a copy of the said annexure may write to the Company Secretary at the registered office of the Company.

Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars prescribed under clause (e) of subsection (1) of section 217 of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the annexure which forms part of this report.

Acknowledgment

Your directors extend their gratitude to all investors, clients, vendors, banks, financial institutions, regulatory and governmental authorities and stock exchanges for their continued support during the year. The directors place on record their appreciation of contribution made by the employees at all levels for their dedicated and committed efforts during the year.

For and on behalf of the Board of Directors

Philippe Lesueur
Chairman

Vipul Jain
Managing Director

Place: Thane
Date : 6 August, 2014

Annexure to Directors' Report Annexure to Directors' Report

Conservation of Energy

The range of activities of your Company require minimal energy consumption and every endeavour has been made to ensure optimal utilization of energy and avoid wastage through automation and deployment of energy-efficient equipment.

Your Company takes adequate measures to reduce energy consumption by using efficient computer terminals and by using latest technology. The impact of these efforts has enhanced energy efficiency. As energy cost forms a very small part of total expenses, the financial impact of these measures is not material and measured.

Technology Absorption

Your Company, in its endeavour to obtain and deliver the best, adopts the best technology in the field, upgrades itself continuously.

Research and Development (R&D)

Your Company has a well-equipped Research and Development team carrying on research and development activities.

The total expenditure incurred on Research and Development during the year 2013-14 was Rs. 38.20 million.

Foreign exchange earning and outgo

The details of foreign exchange earnings and outgo are given in Note Nos. 32 to 34 of the "Notes to Financial Statements".

For and on behalf of the Board of Directors

Philippe Lesueur
Chairman

Vipul Jain
Managing Director

Place: Thane
Date : 6 August, 2014

Report on Corporate Governance

The importance of maintaining high ethical standards by the corporate sector for ensuring its long term sustainable growth has been universally accepted. It is in this context that development of best practices of corporate governance and rating of companies is increasingly becoming very relevant.

Your Company believes that good corporate governance enhances accountability and increases shareholder value. Corporate Governance is a set of guidelines to fulfill its responsibilities to all its stakeholders i.e. investors, customers, vendors, government, employees. Good corporate governance has been an integral part of the Company's philosophy. The Company believes that good corporate governance should be an internally driven need and is not to be looked upon as an issue of compliance dictated by statutory requirements. The Company is focused on good governance, which is a key driver of sustainable growth and enhanced shareholder value.

Board Composition

As on 30 June, 2014, the Company has five directors, with a non-Executive Chairman and one Managing Director. The remaining three directors are independent directors.

Board Meetings

Four Board Meetings were held during the financial year 2013-14.

Name of Director	Designation	Category	Directorships / Board Committees (Number)		
			Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Philippe Lesueur	Chairman	Non-Executive	10	2	1
Mr. Vipul Jain	Managing Director	Executive	6	1	1
Mr. K. K. Nohria	Director	Independent and Non Executive	17	6	1
Mr. Sekhar Natarajan	Director	Independent and Non Executive	3	3	4
Mr. Nani Javeri*	Director	Independent and Non Executive	7	5	5
Ms. Sangeeta Singh#	Director	Independent and Non Executive	-	3	1

* Mr. Nani Javeri was appointed as an Additional Director on 8 July, 2013 and appointed as Director at AGM held on 26 September, 2013.

Ms. Sangeeta Singh was appointed as an Additional Director on 18 July, 2014.

Dates of Board Meetings

• 7 August, 2013	• 23 October, 2013	• 5 February, 2014	• 30 April, 2014
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Attendance at Board Meetings and Last Annual General Meeting

Name of Director	No. of Board Meetings Attended	Attendance at AGM held on 26 September, 2013
Mr. Philippe Lesueur	4	Yes
Mr. Vipul Jain	4	Yes
Mr. K. K. Nohria	3	Yes
Mr. Sekhar Natarajan	4	Yes
Mr. Nani Javeri	3	No

Board Committees

Currently Board has five Committees –

- a) Audit Committee
- b) Stakeholders Relationship Committee
- c) Nomination and Remuneration Committee
- d) Share Transfer Committee
- e) Corporate Social Responsibility Committee

None of the Directors of the Company is a member of more than 10 committees or acts as a Chairman of more than five committees across all companies in which he is a Director.

Composition of Committees**a) Audit Committee**

Five meeting of the Committee were held during the financial year 2013-14.

Name of Director	Category	No. of Meetings Attended
Mr. Sekhar Natarajan(*)	Independent Director	5
Mr. K. K. Nohria	Independent Director	4
Mr. Nani Javeri	Independent Director	4
Ms. Sangeeta Singh(#)	Independent Director	-

(*) Chairman of the Committee

(#) Ms. Sangeeta Singh was co-opted as member of the Committee on 18 July, 2014.

Terms of Reference

- a) 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;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. 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
 - ii. Changes, if any, in accounting policies and practices and reasons for the same
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management
 - iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft audit report
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the 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;
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;

- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up thereon;
- o) 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;
- p) 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;
- q) 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;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b) Stakeholders Relationship Committee

Four meetings of the Committee were held during the financial year 2013-14.

Name of Director	Category	No. of Meetings Attended
Mr. Sekhar Natarajan(*)	Independent Director	4
Mr. K.K Nohria	Independent Director	3
Mr. Nani Javeri	Independent Director	3
Ms. Sangeeta Singh(#)	Independent Director	-

(*) Chairman of the Committee

(#) Ms. Sangeeta Singh was co-opted as member of the Committee on 18 July, 2014.

Terms of Reference

To monitor redressal of investor complaints received from stock exchanges, SEBI and shareholders.

Name and Designation of Compliance Officer

Ninad G. Umranikar – Company Secretary

c) Nomination and Remuneration Committee

One meeting of the Committee was held during the financial year 2013-14.

Name of Director	Category	No. of Meetings Attended
Mr. Philippe Lesueur(*)	Non-Executive Director	1
Mr. Sekhar Natarajan	Independent Director	1
Mr. K. K. Nohria	Independent Director	1
Mr. Nani Javeri	Independent Director	1
Ms. Sangeeta Singh(#)	Independent Director	-

(*) Chairman of the Committee

(#) Ms. Sangeeta Singh was co-opted as member of the Committee on 18 July, 2014.

Terms of Reference

The Committee reviews the remuneration payable to directors and the senior officers of the Company.

Remuneration Policy

Remuneration to Managing Director is paid in accordance with the provisions of the Companies Act, 2013. Commission is paid to Managing Director and to independent non-executive directors at a specified percentage of the net profits of the Company. Sitting Fees are paid to independent non-executive directors for attending every meeting of the Board of Directors or committee thereof (other than share transfer committee).

Remuneration to Managing Director

Mr. Vipul Jain, Managing Director was paid Rs. 23,145,306 as remuneration during the financial year 2013-14.

The remuneration payable to Mr. Vipul Jain may be revised from time to time, during his tenure as managing director, subject to such consents, sanctions as may be necessary for such revision in remuneration.

Stock Options

Mr. Vipul Jain has not been granted any stock options.

Service Contract, Notice Period and Severance Fees

Mr. Vipul Jain has been reappointed as Managing Director from 1 June, 2013. Mr. Vipul Jain may resign by giving 3 months' notice in writing to the Company without any severance fees.

Remuneration to Non-Executive Directors

Commission - Rs. 3,00,000/-

Sitting Fees - Rs. 4,08,000/-

Commission of Rs. 1,00,000/- is paid to each Non-executive Independent Director subject to a maximum of 1% of the net profit of the Company. A sum of Rs. 12,000/- is paid to each independent director for attending a meeting of the Board of Directors or Committee thereof (apart from Share Transfer Committee Meeting).

Stock Options to Non – Executive Directors

The non-executive directors were not given any options during the year.

No. of equity shares held by Non – Executive Directors

As on 30 June, 2014, none of the non-executive directors held any equity share in the Company.

d) Share Transfer Committee

Name of Director	Category
Mr. Philippe Lesueur	Non-Executive Director
Mr. Vipul Jain (*)	Managing Director
Mr. Gurudas Shenoy	Chief Financial Officer
Mr. Ninad Umranikar	Company Secretary

(*) Chairman of the Committee

20 meetings of the Committee were held during the financial year 2013-14.

Terms of Reference

Committee approves the share transfers, transposition, etc. based on the reports obtained from the Registrar and Share Transfer Agent.

e) Corporate Social Responsibility Committee

Name of Director	Category
Mr. Nani Javeri (*)	Independent Director
Mr. Philippe Lesueur	Non-Executive Director
Mr. Vipul Jain	Managing Director
Ms. Sangeeta Singh (#)	Independent Director

(*) Chairman of the Committee

(#) Ms. Sangeeta Singh was co-opted as member of the Committee on 18 July, 2014.

Terms of Reference

- i) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- ii) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- iii) To monitor the Corporate Social Responsibility Policy of the Company from time to time.

Quorum

Quorum for Board as well as Committee Meetings is one third or two directors / members of committees, as the case may be, whichever is higher.

Disclosures

There are no materially significant related party transactions i.e. transaction, material in nature, with its promoters, directors, their relatives or the management, subsidiaries of the Company etc. having potential conflict with the interests of the Company at large.

No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

Means of communication

Half yearly report sent to each household of Shareholder:	No
Quarterly results:	
Which newspapers normally published in:	Free Press Journal / Business Standard and Loksatta
Any website where displayed:	www.accelyakale.com
Whether it also displays official news releases and presentations made to institutional investors or to analysts:	Yes
Whether MD&A is a part of annual report or not:	Yes

Shareholder Information

The additional information to shareholders, which forms part of the Corporate Governance Report, is annexed hereto.

General Body Meetings

Particulars of Annual General Meetings held during last three years:

Year 2011 Annual General Meeting dated 8 November, 2011 – at Mahratta Chambers of Commerce, Industries and Agriculture, Pune- 411 002 at 3.00 p.m.

No Special Resolution was passed at the 25th Annual General Meeting held on 8 November, 2011.

Special Resolution passed by Postal Ballot: The Company passed a special resolution by postal ballot on 3 January, 2012 for change of name of the Company from Kale Consultants Limited to Accelya Kale Solutions Limited.

Year 2012 Annual General Meeting dated 6 November, 2012 – at Mahratta Chambers of Commerce, Industries and Agriculture, Pune- 411 002 at 3 p.m.

No Special Resolution was passed at the 26th Annual General Meeting held on 6 November, 2012.

Year 2013 Annual General Meeting dated 26 September, 2013 – at Mahratta Chambers of Commerce, Industries and Agriculture, Pune- 411 002 at 12 noon.

Special Resolution Passed
Special Resolution passed to re-appoint Mr. Vipul Jain as Managing Director of the Company and to fix his remuneration.
Special Resolution passed for payment of Commission to the Non Executive Independent Directors of the Company.

DECLARATION

Pursuant to Clause 49 (I) (D) (ii) of the Listing Agreement, I hereby declare that all Board members and senior management personnel have affirmed compliance with the code of conduct.

Vipul Jain
Managing Director

Certificate of Corporate Governance

To the Members of
ACCELYA KALE SOLUTIONS LIMITED

I have examined the compliance of conditions of Corporate Governance by Accelya Kale Solutions Limited for the financial year ended 30th June, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the BSE Limited, National Stock Exchange of India Limited and Pune Stock Exchange Limited, made applicable to all listed companies with effect from 1st April, 2006.

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

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

I further state that 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 Nilesh A .Pradhan & Co.,
Practicing Company Secretary

Nilesh A Pradhan
Proprietor
C. P. No: 3659

Place : Mumbai
Date : 6 August, 2014

Safe Harbour Statement

Certain statements in this Annual Report concerning Accelya Kale's future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, Accelya Kale's ability to manage growth, intense competition in IT services including those factors which may affect cost advantage, wage increases in India, ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, ability to manage international operations, reduced demand for technology in key focus areas, disruptions in telecommunication networks, ability to successfully complete and integrate potential acquisitions, liability for damages on service contracts, the success of the subsidiaries of Accelya Kale, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of intellectual property and general economic conditions affecting industry. Accelya Kale may, from time to time, make additional written and oral forward-looking statements, including reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

The following discussion and analysis should be read in conjunction with the Company's audited Financial Statement and the notes thereon.

INDUSTRY OUTLOOK

GLOBAL TRAVEL SECTOR

This is a special year for the global airline industry, completing the first 100 years of scheduled commercial aviation. According to the International Air Transport Association (IATA) the industry outlook is positive. IATA has made following forecasts for airline industry in 2014:

- Airlines are expected to transport around 3.3 billion passengers and 50 million metric tons of cargo across a network of almost 50,000 routes. This connectivity has an estimated global economic impact of \$2.4 trillion.
- In 2014, the airline industry revenues are forecasted to be \$745 billion with profit of \$18.9 billion. That is a 2.5% net profit margin. That compares with revenues of \$708 billion, profit of \$12.9 billion and a 1.8% net profit margin in 2013.
- Put another way, airlines are expected to make a profit on average of \$5.65 for every passenger carried in 2014 as compared to \$4.13 in 2013.
- 2014 promises an improvement in profitability, with developed economies leading growth. Passenger demand remains strong, and rising business confidence is expected to stimulate the cargo business as 2014 progresses.

ACCELYA GROUP'S STRATEGY

Airlines face a complex operating environment and are looking at ways to simplify their business processes and make them efficient and agile.

Accelya Group's vision is '**to be the market leader of integrated suite of financial and business intelligence solutions to airlines**', Accelya is strategically focused to help airlines integrate and simplify their financial processes; to better manage costs, risks, revenue leakages, cash flows, profitability and overall business performance.

Accelya partners with airlines right from the time a ticket or an air waybill is issued, all the way through its entire financial lifecycle and until the data is converted to actionable decision support. For our customers, there is a wider choice of solutions and the confidence that they are engaging with a Group that can become their long term and strategic solutions provider. Pay-per-use business model further helps airlines avoid upfront capital investments and achieve business growth. It also provides the Group annuity revenue streams that ensure revenue visibility and foundation for growth.

ACCELYA KALE UPDATES

Accelya Kale had a challenging year because the year started with the loss of a significant sized contract with one of its key customers. This was largely due to change in the customer's IT and outsourcing strategy and not on account of dissatisfaction with Accelya Kale's services. However the Company continues to provide other solutions to the customer and enjoys healthy relationship with them. The loss of revenue on account of this contract has been partly compensated through acquisition of new customers during the year. Some of these were:

- Hawaiian Airlines, the largest carrier in Hawaii, USA, selected REVERA PRA, to re-engineer their passenger revenue accounting process
- Bangkok Airways, Asia's boutique airline, outsourced its complete Book-to-Cash cycle including passenger revenue accounting, cargo revenue accounting, sales audit and miscellaneous billing
- GoAir, a leading budget carrier from India, chose REVERA NEXT to automate its revenue accounting process, build in better audit controls and be future-ready to accommodate any changes in business model
- Flybe, Europe's largest independent regional airline selected FinesseMBS™ solution to automate and standardise the entire miscellaneous billing process
- Garuda Indonesia, national carrier of Indonesia outsourced its fare filing to Accelya Kale

Accelya Kale continued its focus on innovation, increased productivity and quality by launching some key solutions during the year.

- The Company accomplished a major technology refresh to its flagship product- REVERA®. The enhanced version

called REVERA NEXT sets new benchmarks in Revenue Accounting on accuracy, speed and intelligence – across passenger, cargo and airmail.

- The Company launched FinesseCost™ to help airlines prevent overpayments to suppliers and efficiently manage their Direct Operating Costs (DOC).
- To help airlines identify cash blocked in interlining due to billing delays and rejections, the Company launched eSpin™.

Accelya Group was conferred with some prestigious industry awards during the year. The Group was acknowledged by leading global media awards viz. 'IT Company of the year 2014' by Air Transport News Awards and 'Information Technology for the Air Cargo Industry 2014' by ACW World Air Cargo Awards 2014. These awards were determined through voting by airline industry professionals and are testament to the value delivered by the Group to its customers and the airline industry.

ACCELYA KALE'S MAJOR OFFERINGS

Accelya Group's expertise spans across all critical airline financial processes – BSP Processing, Revenue Accounting, Audit & Revenue Recovery, Card Management, Miscellaneous Billing, Cost Management and Business Intelligence. The Group partners with airlines right from the time a ticket or an air waybill is issued, all the way through its entire financial life cycle, until the data is converted into actionable decision support.

ACCELYA KALE SOLUTIONS

REVERA® - Revenue Accounting Solution

Accelya Kale has more than 20 years of experience in revenue accounting and helps airlines process over 300 million revenue accounting transactions annually. In this category we are considered to be one of the leaders in the industry.

REVERA suite of solutions enables airlines to streamline and simplify revenue accounting across passenger, proration, interline, cargo and airmail. REVERA suite includes REVERA PRA, APEX® Proration, REVERA Interline, REVERA CRA and REVERA Airmail.

Accelya Kale is a pioneer of platform based BPO or Outsourced Services model for airlines. This business model offers outsourced services on the REVERA platform and combines domain expertise with service orientation (as per SLAs). The company takes complete accountability of accuracy, timeliness and completeness of data.

For customers who do not wish to outsource, but use the platform in-house, the company offers Managed Hosting model.

FinesseCost™ - Cost Management Solution

FinesseCost™ helps airlines efficiently manage their Direct Operating Costs (DOC). It streamlines the payables process by automatically processing E-invoices from various DOC vendors such as airports, ATC and fuel companies.

FinesseMBS™ - Miscellaneous Billing Solution

FinesseMBS™ is a SIS-compliant miscellaneous (non - transport) billing solution that streamlines miscellaneous receivables and payables. Using a single, integrated invoicing and settlement process, FinesseMBS standardises billing and accounting practices across business units.

Audit and Revenue Recovery Service

Accelya Kale is the leader in revenue recovery and protection services to airlines. Its audit services span across the entire ticket lifecycle from original booking through to the completion of the journey. This is supported by comprehensive recovery services - from raising of Agent Debit Memos (ADM) to fund collection. Through proprietary platform, skilled staff and best practices, the Company ensures maximised recovery and minimised errors.

eSpin™

Accelya Kale's eSpin helps airlines identify cash blocked in interlining due to billing delays and rejections.

Industry Solutions (IATA Business Partner)

Accelya Kale partners with IATA on industry-wide initiatives and provides strategic solutions that aim to transform and simplify a variety of airline processes. The Company's robust industry solutions include Neutral Fare Proration (NFP) and Simplified Interline Settlement (SIS).

Accelya Kale is primary technology partner for IATA's Simplified Interline Settlement (SIS) platform.

Accelya Kale's NFP (Neutral Fare Proration) engine APEX® (jointly offered with ATPCO) is the backbone of the First & Final™ Billing service offered by IATA. As a part of the NFP process, APEX® accurately prorates more than 3 million transactions per month to over 35 airlines.

ACCELYA KALE'S STRENGTHS AND OPPORTUNITIES

Business focus and expertise

Accelya Kale is the leading financial solutions provider to airlines and travel industry. The Company commands a significant advantage in terms of business domain knowledge and emerging industry changes. The years of experience have provided the Company with a strong base of Intellectual Property and Intellectual Capital. This advantage helps Accelya Kale to provide solutions which simplify airline financial processes and address their challenges.

Neutral service provider

Accelya Kale is a neutral service provider and is not governed by any competing airline. The platform and processes are independent of any airline strategic roadmap. Confidentiality and security of customer data is of utmost importance to the Company.

Single vendor accountability

Accelya Kale has pioneered the concept of platform-based

outsourcing in the airline industry. The Company takes complete accountability of the outcome as per SLAs. It also takes the responsibility of maintaining and upgrading the platform, processes and people skills in line with industry best practices and client requirements.

Relationship with customers

Accelya Kale values long-term relationship with its customers. The ability to forge effective and lasting partnerships with large, global airlines is the Company's strength. Many of Accelya Kale's airline customers over the years have extended their association with the Company.

Pay as you use model

Accelya Kale offers its solutions on pay-per-use model. It helps airlines have a low capex and variable cost. At the same time, to the Company it ensures annuity revenue streams resulting in revenue visibility and foundation for growth. A win-win for customers and the Company.

Shareholders' funds

Shareholders' funds increased from Rs. 762.93 million to Rs. 803.18 million during the year 2013-14.

Equity

During the year, Share Capital and Securities Premium stand at Rs. 149.27 million and Rs. 316.98 million respectively.

Presently, Accelya Kale has 14,926,261 shares (Previous Year 14,926,261) of Rs. 10 each fully paid up.

Profit and Loss Account

Accelya Kale's retained earnings as at June 30, 2014 amount to Rs. 88.24 million. The Board has recommended a final dividend of Rs. 22 per share for the financial year 2013-2014 at the Board Meeting held on 6th August, 2014. Accordingly, a provision for dividend (including dividend tax) to the tune of Rs. 384.19 million has been made.

As at 30th June, 2014, Accelya Kale's book value per share increased to Rs. 53.81 per share as compared to Rs. 51.11 per share as at 30th June, 2013.

General Reserves

During the year an amount of Rs.89.59 million representing 10% of Profit for the period ended 30th June, 2014 was transferred to the General Reserves account from Profit & Loss account.

Capital Redemption Reserve

During the year, Capital redemption Reserve stands at Rs. 9.54 million. There is no change to this balance in the current year.

Investments

Accelya Kale's Investments at cost, amounts to Rs. 382.11 million as compared as at 30th June, 2014. There is no change to this balance in the current year.

FIXED ASSETS

Product Development

During the period product development cost amounting to Rs. 46.78 million has been capitalised as intangible assets.

Other Fixed Assets and Goodwill

Accelya Kale added Rs. 67.90 million to the gross block comprising of Rs. 61.01 million in Plant and Machinery, Rs. 4.92 million in purchase of Software, and the balance Rs. 1.97 million in other assets.

Sale / Disposal of Assets

During the year Accelya Kale sold/disposed off assets (including assets that had become obsolete over the years) with a Gross Book value of Rs. 17.21 million and having an accumulated depreciation value of Rs. 17.04 million. The sold assets included old plant & machinery and furniture.

Accelya Kale's Gross Block as at 30th June 2014 stood at Rs. 1,100.71 million as compared to Rs. 1,003.23 million as at 30th June 2013. The corresponding Net Block as at 30th June 2014 is Rs. 319.02 million as compared to Rs. 326.20 million as at June 30, 2013.

Trades Receivables

Accelya Kale's Net Receivables as at 30th June 2014 amounted to Rs. 279.83 million as compared to Rs. 268.17 million as at 30th June 2013. These debtors are considered good and realisable.

The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates and general economic factors which could affect the customer's ability to settle and finally depending on the management's perception of the risk. The total provision for doubtful debts as at 30th June 2014 stands at Rs. 8.93 million compared to Rs. 8.31 million as at 30th June, 2013.

Trade receivables as a percentage of total revenue is 9.25% as at 30th June 2014 as against 10.04% as at 30th June, 2013.

Non-current Liabilities

As at 30th June, 2014 Accelya Kale's non-current liabilities amount to Rs. 58.95 million as compared to Rs. 131.77 million as at 30th June, 2013.

Current Liabilities

As at 30th June, 2014 Accelya Kale's current liabilities amount to Rs. 964.68 million as compared to Rs. 1,103.03 million as at 30th June, 2013.

RESULT OF OPERATIONS

Sale of services

For the year ended 30th June, 2014, Accelya Kale recorded operating income of Rs. 2,829.74 million.

Operating Profit

Accelya Kale reported profit before exceptional items and tax of Rs. 1,284.93 million for the year ended 30th June, 2014.

Profit after Tax

Accelya Kale recorded a PAT of Rs. 895.93 million for the year ended 30th June, 2014.

Dividend

Accelya Kale recommended a final dividend of Rs. 22.00 per share amounting to Rs. 384.19 million (including Dividend Tax Rs. 55.81 million).

IPR Assets and Amortisation

As a value innovator, Accelya Kale has always believed in developing its own Intellectual Property (IP) and over the years has invested significant amount of resources in this development. All these products have been viewed as the best of the breed products by the industry and highly appreciated by the customers.

Details of IPR assets and amortisation are as follows:

Product IPR	Rs. Million
Opening Net Block	74.38
Additions	46.78
Charge	26.36
Closing Net Block	94.80

RISKS, CONCERNS AND RISK MITIGATION

Increasing competition

The airline and travel solutions business is seeing a lot of interest in recent times. Many new providers and existing technology vendors are foraying into the business. Accelya Kale is closely monitoring the industry challenges and investing in innovation and productivity improvements to add value to customers through its solutions. In-depth knowledge of the industry and its requirements make Accelya Kale the partner of choice for airlines.

Uncertain economic environment

The airline industry is amongst the first to be impacted by any major economic or political situations.

Accelya Kale is in a good position to mitigate this risk. The company has a large customer base spread globally with strong presence in growing regions such as the Middle East and Latin America. The company has long term contracts with its customers. This generates annuity revenues and provides good visibility on business.

Regulatory Risk

Proposed legislation in certain countries in which Accelya Kale operates, may restrict airlines in those countries from outsourcing work to the Company, or may limit its ability to

send employees to certain client sites. Airline industry being a global industry, with Accelya Kale's customers spread across the world; mitigates this risk to some extent.

Currency Volatility

Being a global organization dealing with global customers, volatility in currency exchange movements may affect the results of Accelya Kale's operations. The Company has got currency hedging policies and practices in place which are regularly reviewed to mitigate this risk.

Resource Availability

Accelya Kale being in an industry driven by domain knowledge and intellectual property, the Company's success depends in large part on its ability to attract and retain talent. Strong HR processes to identify competency and skill gaps on a continuous basis, a well defined hiring program and competency development of the Company's employees continues to be a key area of strategic focus for Accelya Kale.

Adequacy of Internal Control Systems

The company's internal control systems are well designed to provide reasonable assurance that assets are safeguarded, transactions are properly recorded in accordance with management's authorization, and accounting records are adequate for preparation of financial statements and other financial information. Internal audits are performed regularly to ascertain their adequacy and effectiveness. The internal audit function also carries out Operations Review Audits. The audit committee periodically reviews the functions of internal audit.

Human Capital

The work culture of Accelya Kale is built around creating excellence in domains and technology. We are a diverse, multicultural and secular work place. We are a 1500+ strong workforce company spread across various nationality and geographies. Accelya Kale encourages an 'Equal Employment Opportunity Policy' which discourages discrimination for employment on account of sex, race, color, religion, physical challenge and so on. Accelyaites are with an average age of 32 years.

Gender Diversity

Male	Female
64%	36%

Education Qualification and Skills

Post Graduation	Engineering/ Other Graduates	IATA Certified/ Diploma holders	Under-graduates
18%	61%	20%	1%

Experience

Less than 2 years	2-5 years	5-10 years	More than 10 years
9%	23%	42%	26%

Accolades

We have been recognized with

- a) **Diversity Impact Award** in 4th Asia's Employer Brand Awards.
- b) **Talent Management Award** in the 22nd Global HR Excellence Awards.

Training

Training is critical in creating and engaging high performing workforce that drives competitive advantage. At Accelya Kale we have structured training program on Project Management and Business Analysis which helped us in developing leaders, creating solutions mindset and exceed customer expectations.

We have been providing relevant skills and knowledge to employees for better career growth within the organization through various initiatives such as

- **Accelerate** – To create and develop an internal talent pipeline for future, critical roles as well as rewarding high potentials, critical employees with growth & learning opportunities.
- **Introspect** – Introspect is an initiative which focuses on the very concept of self reflection.

Engagement Survey – YOU

Employment satisfaction survey helped us in deciding the areas of improvement and keeping the employees engaged as well as understand the pulse of the employees, their expectations and areas of improvements.

Accelya Kale Women Network (AKWN)

AKWN is a networking forum for professional women, enabled by Accelya Kale. This offers an opportunity to women employees to learn, share and empower themselves and their women colleagues.

"A good company delivers excellent products and services, and a great company does all that and strives to make the world a better place."

(Executive Chairman of one of the world's largest public companies on the Forbes 2014 Global 2000 list)

Today, we live in an age in which companies, businesses and society are more connected and interactive than ever before in the past. Corporations are more aware of their role towards the society. They are responsible bodies that feel a sense of duty towards society and the environment and as an integral part of this society themselves, can contribute to its upliftment and empower the entire country in turn.

Corporate Social Responsibility (CSR) is a crucial bridge between organizations and society and also a means to create awareness amongst Corporates, NGOs and civic bodies regarding the value and importance of social responsibility. CSR is an important link between the privileged and the disadvantaged of society.

CSR is the soul of every business these days. It has also become the password to ensure sustainable growth. It has been supported not only by the shareholders but stakeholders by and large encompassing the whole community.

As a socially responsible organization, we have been supporting **Catalysts for Social Action (CSA)**, a Not-For-Profit organization dedicated to the cause of child welfare and rehabilitation for children living in orphanages since 2003.

CSA works as a "catalyst" focusing on a holistic approach to child care and optimal rehabilitation outcomes.

CSA is making a valuable difference to **2800+** children across **55+** child care institutions in **4** states that they work out of.

Accelya Kale Solutions Limited believes strongly in 'striving to make the world a better place' for less fortunate children in child care institutions / orphanages & therefore, support a number of initiatives ranging from -

- Campaigns covering distribution of school stationery & supplies to children in child care institutions;
- Provision of hygiene kits to enable better health and sanitary practices at child care institutions;
- Financially contributing via payroll giving, individual donations and donations in kind;
- Participating in fund raising / awareness events such as CSA Charity Dinner, Mumbai and Delhi Marathons 2014;
- Celebrating fun events such as festivities, Christmas party, various recreational activities, conducting hobby classes with kids, doing awareness sessions on personal, oral and skin care with children etc.
- A key highlight was the organization of a 'Friendly Cricket Match' between the winners and runners up of the Accelya Kale Cricket Tournament and 40 children from a children's home in Mumbai. The riding thought was to bring smiles and give these children memories to cherish. Employees contributed warm-heartedly towards cricket set and gear, shoes, sportswear etc. This event was covered by several media publications and newspapers.

During the year Accelya Kale's corporate contribution to CSA amounted to Rs.2.32 million and Accelya Kale employees contributed Rs.0.87 million. We also encourage our vendors to support CSA's work and have facilitated donations for CSA amounting to Rs.0.5 million.

As CSA forges ahead in its endeavor, Accelya Kale pledges our support to CSA in making this world a better place for these children.

Independent Auditors' Report

To the Members of
Accelya Kale Solutions Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Accelya Kale Solutions Limited ("the Company"), which comprise the Balance Sheet as at 30 June 2014 and 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 30 June 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2 As required by section 227(3) of the Act, we report that:
 - a. we have 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 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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - e. on the basis of written representations received from the directors as on 30 June 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 30 June 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Mumbai
6 August 2014

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022
Bhavesh Dhupelia
Partner
Membership No. 042070

Annexure to the Independent Auditors' Report

(Referred to in our report of even date)

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has carried out the physical verification of fixed assets during the period and no material discrepancies were noticed on such verification.
 - (c) Fixed assets disposed of during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii)
 - (a) The company is a service company, primarily rendering IT and IT enabled services. Accordingly, it does not hold any physical inventories. Thus paragraph 4(ii) of the order is not applicable.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that the sale of services are of a specialised nature for the requirements of the buyers for which comparable quotations from suitable alternate sources are not available, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services. The activities of the Company's do not involve purchase of inventory and sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in internal controls.
- (v)
 - (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 lakh with any party during the year are for the Company's specialized requirements for which suitable alternate sources are not available to obtain comparable quotations. However on the basis of information and explanations provided, the same appear reasonable.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, The Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Act for any of the products manufactured/services rendered by the Company.
- (ix)
 - (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues with the appropriate authorities. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at the year end for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and cess which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below

Name of the Statute	Nature of the Dues	Amount (Rs. Lac)	Period to which the amount relates	Forum where dispute is Pending
Sales Tax, (Appeals)	Disallowance of Software services and maintenance of software	71.20	2001-02	Asst. Commissioner

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company did not have any dues to any financial institutions or debenture holders during the year.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not taken any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issues.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Mumbai
6 August 2014

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No. 042070

Balance Sheet as at 30 June 2014	Notes	30 June 2014 ₹	30 June 2013 ₹
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	149,268,660	149,268,660
Reserves and surplus	4	653,911,405	613,663,691
		803,180,065	762,932,351
Non-current liabilities			
Long-term borrowings	5	-	44,900
Other long-term liabilities	6	15,849,373	13,982,754
Long-term provisions	7	43,101,993	117,742,270
		58,951,366	131,769,924
Current liabilities			
Trade Payables	8	101,067,408	84,799,234
Other current liabilities	9	178,989,561	65,820,034
Short-term provisions	10	684,624,613	952,408,032
		964,681,582	1,103,027,300
TOTAL		1,826,813,013	1,997,729,575
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	11	196,069,682	205,954,604
Intangible fixed assets	12	122,954,623	120,247,776
Capital work-in-progress	11	214,426	117,680
Intangible assets under development	12	10,385,462	19,286,541
Non-current investments	13	382,107,645	382,107,645
Deferred tax assets (net)	14	55,693,577	79,421,167
Long-term loans and advances	15	107,472,643	105,113,495
Other non-current assets	16	613,374	146,091
		875,511,432	912,394,999
Current assets			
Current investments	17	341,849,756	375,642,525
Trade receivables	18	279,830,740	268,167,532
Cash and Bank balances	19	98,576,371	182,163,517
Short-term loans and advances	20	62,364,531	55,247,971
Other current assets	21	168,680,183	204,113,031
		951,301,581	1,085,334,576
TOTAL		1,826,813,013	1,997,729,575
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements as per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
6 August 2014

Ninad Umranikar
Company Secretary

Thane
6 August 2014

Vipul Jain
Managing Director

For and on behalf of Board of Directors

Philippe Lesueur
Chairman

Gurudas Shenoy
Chief Financial Officer

Statement of Profit and Loss for the year ended 30 June 2014	Notes	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
Revenue			
Revenue from operations	22	2,832,057,440	2,623,844,543
Other income	23	193,493,920	47,207,719
Total revenue		<u>3,025,551,360</u>	<u>2,671,052,262</u>
Expenses			
Employee benefits expense	24	1,106,967,665	942,531,781
Finance costs	25	4,050,726	4,629,274
Depreciation and amortization	26	121,696,704	108,969,571
Other expenses	27	546,111,243	595,680,041
Less: Product development cost capitalised	28	(38,204,398)	(25,483,276)
Total expenses		<u>1,740,621,940</u>	<u>1,626,327,391</u>
Profit before taxation		1,284,929,420	1,044,724,871
Less : Provision for taxation			
Current tax		387,928,280	343,695,053
Deferred tax charge / (credit)		23,727,590	(11,412,366)
Dividend distribution tax credit	43	(22,660,138)	-
Profit after taxation		<u>895,933,688</u>	<u>712,442,184</u>
Earnings per equity share (face value of Rs. 10 each)			
Basic and Diluted	29	60.02	47.73
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements as per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
6 August 2014

Ninad Umranikar
Company Secretary

Thane
6 August 2014

Vipul Jain
Managing Director

For and on behalf of Board of Directors

Philippe Lesueur
Chairman

Gurudas Shenoy
Chief Financial Officer

Cash flow statement for the year ended 30 June 2014	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
Cash Flows from operating activities		
Net Profit before taxation	1,284,929,420	1,044,724,872
Adjustments for:		
Depreciation and amortization	121,696,704	108,969,571
Profit on sale of fixed asset	(539,980)	(175,375)
Provision for doubtful debts	2,211,458	(38,987,914)
Credit balances written back	(7,453,097)	(3,389,625)
Unrealised exchange gain	(740,864)	(20,617,351)
Interest income	(8,703,566)	(14,855,225)
Interest expense	-	696,122
Mark to market loss on derivative contract	(55,636,944)	68,379,082
Dividend income	(155,542,377)	(14,310,630)
Operating cash flow before working capital changes	1,180,220,754	1,130,433,527
Increase in current liabilities and provisions	133,846,144	9,419,721
(Increase)/decrease in trade receivables	(19,042,960)	23,873,195
(Increase)/decrease in loans and advances	(8,347,296)	54,505,843
Decrease in unbilled revenue	41,738,120	51,771,221
Cash generated from operations	1,328,414,762	1,270,003,507
Taxes paid, net	(405,284,860)	(305,118,711)
Net cash provided by operating activities (A)	923,129,902	964,884,796
Cash flows from investing activities		
Purchase of fixed assets	(78,897,861)	(152,190,898)
Proceeds from sale of fixed assets	705,564	614,001
Proceeds from disposal of investment in subsidiary	-	21,434,000
Interest received	11,746,760	17,262,806
Dividend received from subsidiaries	155,542,377	15,562,305
Purchase of Investment in a Mutual fund	(2,592,207,231)	(1,191,863,623)
Sale of Investment in a Mutual fund	2,626,000,000	928,500,000
Investment in deposits having maturity more than 3 months	(491,865,474)	(1,337,736,253)
Deposits matured	598,310,548	1,350,189,436
Net cash provided/(used) by investing activities (B)	229,334,683	(348,228,226)

Cash flow statement (contd.) for the year ended 30 June 2014	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
Cash flow from financing activities		
Repayment of long term borrowing	(44,900)	(636,308)
Dividend paid	(1,135,132,849)	(696,348,624)
Interest paid	-	(696,122)
Net cash used by financing activities (C)	(1,135,177,749)	(697,681,054)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	17,286,838	(81,024,484)
Effect of exchange differences on cash and cash equivalents held in foreign currency	5,571,097	(1,758,349)
Cash and cash equivalents on account of amalgamation	-	76,663,082
Cash and cash equivalents at the beginning of the year	43,283,730	49,403,481
Cash and cash equivalents at the end of the year	66,141,663	43,283,730
Note to cash flow statement		
Components of cash and cash equivalents		
Balance with banks		
in current accounts	22,977,620	25,210,967
in EEFC accounts	26,680,542	13,815,866
Unclaimed dividend *	16,483,501	4,256,897
Total cash and cash equivalents	66,141,663	43,283,730

*The Company can utilise this balance only towards settlement of unclaimed dividend.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia

Partner

Membership No: 042070

Mumbai

6 August 2014

Ninad Umranikar

Company Secretary

Thane

6 August 2014

Vipul Jain

Managing Director

For and on behalf of Board of Directors

Philippe Lesueur

Chairman

Gurudas Shenoy

Chief Financial Officer

Notes to the financial statements

1. Background

Accelya Kale Solutions Limited ("Accelya") is a software solutions provider to the global Airline and Travel industry.

Accelya delivers world class software products, managed processes, technology and hosting services. Accelya's industry solutions are driven by active partnerships with industry bodies and customers, and significant domain knowledge. Its customised approach in deploying these solutions supports clients with best fit solutions to match their requirements.

2. Summary of significant accounting policies

a) *Basis of preparation of financial statements*

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act') and the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards ('AS') as prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013 to the extent applicable. The financial statements are presented in Indian Rupees except for number of shares/securities, per share data and where mentioned otherwise.

b) *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as of the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c) *Current-non-current classification*

All assets and liabilities are classified into current and non current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) It is held primarily for the purpose of being traded;
- (c) It is expected to be realised within 12 months after the reporting date; or
- (d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date;

Current assets include the current portion of non current financial assets.

All other assets are classified as non current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) It is expected to be settled in the Company's normal operating cycle;
- (b) It is held primarily for the purpose of being traded;
- (c) It is due to be settled within 12 months after the reporting date; or
- (d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

Current liabilities include current portion of non current financial liabilities.

All other liabilities are classified as non current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Notes to the financial statements

d) *Revenue recognition*

Revenue is derived primarily from transaction processing and sale of software license, related implementation and maintenance service.

Revenues from transaction processing service i.e. airline ticket and coupon processing charges, is recognized based on the rates fixed in the contract with customers based on the work completed.

Arrangements with customers for software development and related implementation services are classified as fixed-price contracts. Revenue from maintenance services are on a time and material basis.

Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license, except in cases of multiple element contracts which require significant implementation services, where revenue for the entire arrangement is recognized over the implementation period based upon the percentage-of-completion.

Revenue from fixed-price contracts where there is no uncertainty as to measurement or collectability of consideration, is recognized based on the percentage of completion. Percentage of completion is measured as a proportion of time spent on the contract till the balance sheet date to the total estimated time to complete the contract. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Cost and estimated earnings in excess of billings are classified as unbilled revenue while billing in excess of cost and estimated earnings are classified as unearned revenue. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenue.

Revenue from client training, support and other services arising due to the sale of software products, is recognized as the related services are performed.

Interest income is recognized using the time proportion method based on the underlying interest rate.

Dividend income is recognized when the right to receive dividend is established.

e) *Fixed assets and depreciation (including intangible assets)*

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Cost includes freight, duties, taxes and incidental expenditure relating to the acquisition and installation of fixed assets incurred up to the date the asset is ready for its intended use.

Assets costing less than Rs. 5,000 are fully charged to the profit and loss account in the year of acquisition.

Capital work-in-progress includes the cost of fixed assets that are not ready to use at the balance sheet date. Depreciation on fixed assets is provided pro rata for the period of use based on management's best estimate of useful lives of the assets (which are shorter than those prescribed under the Companies Act, 1956) as summarised below:

Leased assets	To be amortized over the lesser of the period of lease and the useful life of the asset
Building	30 years
Computer equipment and Plant and machinery	3 to 6 years
Furniture and Fixture, Equipment and Other Assets	4 to 6 years
Software Acquired/developed	3 to 5 years
Vehicles	5 years

f) *Research and Development cost*

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable and Company has intention and the ability to complete and use or sell the software and the costs can be measured reliably.

Notes to the financial statements

g) *Asset impairment*

In accordance with AS 28-'Impairment of Assets', where there is an indication of impairment of the Company's asset, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss is recognized in the profit and loss account.

h) *Investments*

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long term investments.

Long term investments are carried at cost. Provision for diminution, is made to recognize a decline, other than temporary, in the value of long term investments and is determined separately for each individual investment. The fair value of a long term investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment. Current investments are carried at lower of cost and market value of each investment individually.

i) *Leases*

Operating lease

Lease rentals under an operating lease, are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

Finance Lease

Assets acquired under finance lease are recorded as an asset and liability at the inception of the lease and are recorded at an amount equal to lower of fair value of the leased asset and the present value of the future minimum lease payments.

j) *Foreign currency transactions*

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the profit and loss account of the period.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end closing exchange rate and the resultant exchange differences are recognized in the profit and loss account. Non-monetary foreign currency items are carried at cost.

Translation of foreign operations

For translating the financial statements of foreign branches, these are classified into 'integral' and 'non integral' foreign operation.

Integral foreign operations are those which carry on their business as if they were an extension of the Company's operation. Other foreign operations are classified as non-integral.

The financial statements of an integral foreign operation are translated into Indian rupees as if the transaction of the foreign operation were those of the Company itself.

In the case of a non integral foreign operation, the assets and liabilities, both monetary and non-monetary, are translated at the closing exchange rate and income and expense items are translated at the exchange rates on the date of transaction. The resulting exchange differences are accumulated in foreign currency translation reserve. On the disposal of non-integral foreign operation, the cumulative amount of foreign currency translation reserve, which pertains to that operation, is recognised as income or expense.

Derivative instruments

Forward foreign exchange contracts and other derivatives are not covered by AS 11 and relates to a firm commitment or highly probable forecasted transactions, these contract are mark to market as on the reporting date and loss on these contract are charged to the Statement of Profit and Loss.

k) *Employee benefits*

Defined Contribution Plan

Notes to the financial statements

Company's contributions during the year to Provident Fund are recognized in the Statement Profit and Loss.

Defined Benefit Plan

The Company's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance Sheet date. Actuarial gains and losses are recognized immediately in the Statement Profit and Loss.

Provision for leave encashment cost has been made based on actuarial valuation by an independent actuary at balance sheet date.

The employees of the Company are entitled to compensated absence. The employees can carry-forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at termination of employment for the unutilized accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

i) Income taxes

Income-tax expenses comprise current tax and deferred tax charge or credit.

Current taxes

Provision for current income-tax is recognised in accordance with the provisions of Indian Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

The profits pertaining to the Unit situated at Software Technology Park, Pune of the Company were exempt from taxes under the Income tax Act, 1961, being profit from industrial undertakings situated in Software Technology Park. Under Section 10A / 10B of the Income tax Act, 1961, the Company availed an exemption of profits from income tax for a period ended 31 March 2011 in relation to its undertakings set up in the Software Technology Park.

The Income tax Act, 1961 allows credit in respect of Minimum Alternate Tax ("MAT") paid under section 115JB, to be carried forward up to five succeeding assessment years. The amount of MAT credit can be set-off only in the year in which the Company is liable to pay tax as per the normal provisions of the Income tax Act 1961, and such tax is in excess of MAT for that year. The amount of set-off would be to the extent of excess of normal income-tax over the amount of MAT calculated as if Section 115JB had been applied for that assessment year for which the set-off is being allowed.

In accordance with the guidance note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income tax Act, 1961" issued by the Institute of Chartered Accountants of India, MAT paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax within the eligible period and the asset can be measured reliably.

Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result from differences between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

Notes to the financial statements

m) Earnings per share ('EPS')

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earning per share, and also the weighted average number of equity shares which may be issued on conversion of all dilutive potential shares, unless the results would be anti – dilutive.

n) Provisions and contingent liabilities

Provisions are recognized when the Company recognizes that it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in financial statements. However, contingent assets are assessed continuously and if it is virtually certain that economic benefit will arise, the assets and related income are recognized in the period in which the changes occur.

o) Onerous contracts

Provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

p) Employee stock options

The Company determines the compensation cost based on the intrinsic value method. The compensation cost is amortized on a straight line basis over the vesting period.

Notes to the financial statements	30 June 2014 ₹	30 June 2013 ₹
3 SHARE CAPITAL		
<i>Authorised</i>		
20,200,000 (previous year 20,200,000) equity shares of ₹ 10 each	202,000,000	202,000,000
<i>Issued, subscribed and paid-up</i>		
14,926,261 (2013: 14,926,261) equity shares of ₹ 10 each fully paid up	149,262,610	149,262,610
Forfeited shares	6,050	6,050
Total issued, subscribed and paid-up	149,268,660	149,268,660

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares

	30 June 2014		30 June 2013	
	No. of shares	₹	No. of shares	₹
At the beginning and end of year	14,926,261	149,262,610	14,926,261	149,262,610

b. Right, preference and restriction attached to equity shares

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting right of an equity shareholder on a poll (not on show of hands) is in proportion to its share of the paid-up equity capital of the company. Voting right cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity held.

c. Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company are as follows

	30 June 2014 ₹	30 June 2013 ₹
Accelya Holding World S.L.U.		
11,143,295 (2013 : 11,143,295) equity shares of ₹ 10 each fully paid	111,432,950	111,432,950

d. Details of shareholders holding more than 5% shares in the Company

	30 June 2014		30 June 2013	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
Equity shares of ₹ 10 each fully paid				
Accelya Holding World S.L.U.	11,143,295	74.66	11,143,295	74.66

Notes to the financial statements

3 SHARE CAPITAL (continued)

e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

During the five year period ended 30th June 2014

The Board of Directors of the Company at its meeting held on 1 February 2012 approved the buyback of its own fully paid up equity shares of ₹ 10 each from the existing owners of equity shares other than Accelya Holding World S. L.U., the promoter at a price not exceeding ₹ 160 per equity share payable in cash, for an aggregate amount not exceeding ₹ 129,750,080 which represents 10% of the aggregate paid-up equity capital and free reserves of the Company as on 30 June 2011. As on 2 May 2012, i.e. on the date of closure of the Buy-back offer, the Company has bought back 953,826 Equity Shares on BSE and NSE for a total consideration of ₹ 129,737,172, which represents 99.99% of the buy-back size of ₹ 129,750,080.

4 RESERVES AND SURPLUS

	30 June 2014 ₹	30 June 2013 ₹
Capital redemption reserve		
Balance as at the commencement and at the end of the year	9,538,260	9,538,260
Securities premium account		
Balance as at the commencement and at the end of the year	316,984,098	316,984,098
General reserve		
At the commencement of the year	149,558,189	76,115,846
Add : Transfer from statement of Profit and Loss	89,593,369	71,244,218
Add : Accumulated balance of (Zero Octa Selective Sourcing India Private Limited) brought forward, incorporated pursuant to the scheme of amalgamation (refer note 42)	-	1,500,000
Add : Accumulated balance of (Zero Octa Recruitment & Training (India) Private Limited) brought forward, incorporated pursuant to the scheme of amalgamation (refer note 42)	-	698,125
Balance at the end of the year	239,151,558	149,558,189
Balance in the Statement of profit and loss		
At the commencement of the year	137,583,144	507,467,177
Add : Net profit for the year	895,933,688	712,442,184
Add : Accumulated balance of (Zero Octa Selective Sourcing India Private Limited) brought forward, incorporated pursuant to the scheme of amalgamation (refer note 42)	-	211,833,570
Add : Accumulated balance of (Zero Octa Recruitment & Training (India) Private Limited) brought forward, incorporated pursuant to the scheme of amalgamation (refer note 42)	-	(506,977)
Less: Appropriations		
Transfer to general reserve	89,593,369	71,244,218
Interim Dividend (current year amount per share ₹ 27, previous year amount per share ₹ 30)	403,009,047	447,787,830
Dividend distribution tax on Interim equity dividend paid	68,491,388	76,101,600
Final equity dividend paid (current year amount per share ₹ 22, previous year amount per share ₹ 40)	328,377,742	597,050,440
Dividend distribution tax on final equity dividend paid	55,807,797	101,468,722
Total appropriations	945,279,343	1,293,652,810
At the end of the year	88,237,489	137,583,144
Total reserve and surplus	653,911,405	613,663,691

Notes to the financial statements

5 LONG-TERM BORROWINGS

	Non current portion		Current portion (refer note 9)	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	₹	₹	₹	₹
Vehicle loans from bank/financial institution (secured)	-	44,900	-	636,308
	-	44,900	-	636,308
The above amount includes				
Secured borrowings	-	44,900	-	636,308
Net amount	-	44,900	-	636,308

Vehicle loans from bank/financial institution were secured by hypothecation of underlying vehicles. Vehicle loans carry interest in the range of 8% to 10% repayable in monthly instalments over 48 to 60 months from the date of its origination.

6 OTHER LONG-TERM LIABILITIES

	Non current portion		Current portion (Refer note 9)	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	₹	₹	₹	₹
Deposit received	1,635,561	1,635,561	-	-
Deferred rent liability	14,213,812	12,347,193	55,778	-
	15,849,373	13,982,754	55,778	-

7 LONG-TERM PROVISIONS

	Non current portion		Current portion (Refer note 10)	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	₹	₹	₹	₹
Provision for employee benefit				
- Leave encashment (refer note 35)	43,101,993	43,023,343	15,471,008	12,200,598
Other provision	-	74,718,927	-	-
	43,101,993	117,742,270	15,471,008	12,200,598

8 TRADE PAYABLES

	30 June 2014	30 June 2013
	₹	₹
Trade payable		
- dues to micro and small enterprises (refer note 39)	-	-
- dues to others	101,067,408	84,799,234
	101,067,408	84,799,234

Notes to the financial statements	30 June 2014 ₹	30 June 2013 ₹
9 OTHER CURRENT LIABILITIES		
Current maturities of vehicle loans from bank/financial institution	-	636,308
Borrowing repayable on demand	-	8,570,458
Dues for capital goods	28,290,867	1,308,847
Income received in advance	119,342,564	35,353,381
Deferred rent liability	55,778	-
Unclaimed dividends	16,483,501	4,256,897
Provident fund contribution payable	4,282,219	4,044,342
Profession tax payable	266,550	282,825
Tax deducted at source payable	9,211,472	10,694,705
Value added tax payable	695,077	672,271
Local body tax payable	361,533	-
	178,989,561	65,820,034

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

10 SHORT-TERM PROVISIONS

Provision for employee benefit		
- Leave encashment (refer note 35)	15,471,008	12,200,598
- Gratuity (refer note 35)	7,467,360	4,592,787
Proposed Dividend	328,377,742	597,050,440
Tax on Proposed Dividend	55,807,797	101,468,722
Provision for salaries and incentives	186,783,147	82,159,034
Provision for litigation (Refer note (a) below)	1,000,000	1,267,137
Provision for mark to market loss on forward contracts	42,091,346	97,728,290
Provision for Income Tax (Net of advance tax ₹ 452,609,682, previous year ₹ 70,270,853)	47,626,213	55,941,024
	684,624,613	952,408,032
(a) Movement in provision for litigation		
Balance as at the commencement of the year	1,267,137	1,000,000
Add/Less : Provision made/ (reversed) during the year	(267,137)	267,137
At the end of the year	1,000,000	1,267,137

Provision for litigation represents provision made for probable liabilities/claim arising out of pending disputes/litigation. Such provisions are generally affected by numerous uncertainties and management considers such uncertainties while making an estimate of these amounts.

Notes to the financial statements

11 TANGIBLE FIXED ASSETS

	Building ₹	Plant and machinery ₹	Furniture and fixture ₹	Vehicle ₹	Total ₹
Gross block (at cost)					
As at 1 July 2012	63,259,128	262,819,334	44,669,864	15,957,202	386,705,528
Additions during the year	-	97,289,859	10,202,008	-	107,491,867
On merger of Zero Octa Selective Sourcing India Private Limited pursuant to scheme (refer note 42)	-	39,311,725	3,812,649	-	43,124,374
On merger of Zero Octa Recruitment & Training (India) Private Limited pursuant to scheme (refer note 42)	-	-	101,962	-	101,962
Deletions/Disposals	-	45,877,971	32,045	862,960	46,772,976
As at 30 June 2013	63,259,128	353,542,947	58,754,438	15,094,242	490,650,755
Additions	-	61,013,146	1,966,338	-	62,979,484
Deletions/Disposals	-	16,844,496	365,992	-	17,210,488
As at 30 Jun 2014	63,259,128	397,711,597	60,354,784	15,094,242	536,419,751
Depericiation					
As at 1 July 2012	28,287,908	170,145,824	38,205,817	8,717,644	245,357,193
On merger of Zero Octa Selective Sourcing India Private Limited pursuant to scheme (refer note 42)	-	23,823,026	2,187,458	-	26,010,484
On merger of Zero Octa Recruitment & Training (India) Private Limited pursuant to scheme (refer note 42)	-	-	101,962	-	101,962
Charge for the year	2,108,638	51,115,076	4,321,320	2,015,828	59,560,862
Deletions/Disposals	-	45,449,463	21,927	862,960	46,334,350
As at 30 June 2013	30,396,546	199,634,463	44,794,630	9,870,512	284,696,151
Charge for the year	2,108,638	64,466,615	4,259,258	1,864,310	72,698,822
Deletions/Disposals	-	16,678,912	365,992	-	17,044,904
As at 30 Jun 2014	32,505,184	247,422,166	48,687,897	11,734,822	340,350,069
Net Block					
As at 30 June 2013	32,862,582	153,908,484	13,959,808	5,223,730	205,954,604
As at 30 Jun 2014	30,753,944	150,289,431	11,666,887	3,359,420	196,069,682

	Capital work- -in-progress
As at 1 July 2012	27,789,450
Additions	117,680
Assets capitalisation during the year	27,789,450
As at 30 June 2013	117,680
Additions	214,426
Assets capitalisation during the year	117,680
As at 30 Jun 2014	214,426

Notes to the financial statements

12 INTANGIBLE FIXED ASSETS

	Internally developed software ₹	Acquired software ₹	Total ₹
Gross block (at cost)			
As at 1 July 2012	275,240,561	167,204,956	442,445,517
On merger of Zero Octa Selective Sourcing India Private Limited pursuant to scheme (refer note 42)	-	20,682,788	20,682,788
On merger of Zero Octa Recruitment & Training (India) Private Limited pursuant to scheme (refer note 42)	-	-	-
Purchase/Internal development	6,711,225	42,741,448	49,452,673
Deletions/Disposals	-	-	-
As at 30 June 2013	281,951,786	230,629,192	512,580,978
Purchase/Internal development	46,780,475	4,924,254	51,704,729
Deletions/Disposals	-	-	-
As at 30 June 2014	328,732,261	235,553,446	564,285,707
Amortisation			
As at 1 July 2012	179,816,245	144,614,097	324,430,342
On merger of Zero Octa Selective Sourcing India Private Limited pursuant to scheme (refer note 42)	-	18,494,151	18,494,151
On merger of Zero Octa Recruitment & Training (India) Private Limited pursuant to scheme (refer note 42)	-	-	-
Charge for the year	27,758,919	21,649,790	49,408,709
Deletions/Disposals	-	-	-
As at 30 June 2013	207,575,164	184,758,038	392,333,202
Charge for the year	26,358,655	22,639,227	48,997,882
Deletions/Disposals	-	-	-
As at 30 June 2014	233,933,819	207,397,265	441,331,084
Net Block			
As at 30 June 2013	74,376,622	45,871,154	120,247,776
As at 30 Jun 2014	94,798,442	28,156,181	122,954,623

Intangible assets under development

As at 1 July 2012	442,719
Additions	25,555,047
Assets capitalisation during the year	6,711,225
As at 30 June 2013	19,286,541
Additions	10,385,462
Assets capitalisation during the year	19,286,541
As at 31 Jun 2014	10,385,462

Notes to the financial statements	30 June 2014 ₹	30 June 2013 ₹
13 NON-CURRENT INVESTMENTS		
Trade investments (unquoted at cost, unless otherwise stated)		
<i>Investment in equity instruments of subsidiaries</i>		
1,300,000 (2013: 1,300,000) Class A voting common stock of Kale Softech Inc. of \$0.01 each fully paid up	57,979,585	57,979,585
4,150,000 (2013: 4,150,000) equity shares of Kale Revenue Assurance Services Limited of £1.0 each fully paid up	324,068,060	324,068,060
<i>Investments in Shares of Banks</i>		
Rupee Co-op. Bank Limited		
5,000 equity shares of ₹ 10 each fully paid up (2013: 5,000 equity shares of ₹ 10 each fully paid up)	50,000	50,000
Saraswat Co-op. Bank Limited		
1,000 equity shares of ₹ 10 each fully paid up (2013: 1,000 equity shares of ₹ 10 each fully paid up)	10,000	10,000
	382,107,645	382,107,645
14 DEFERRED TAX ASSETS (NET)		
Deferred tax assets:		
Provision for Leave encashment	20,281,112	19,437,417
Provision for doubtful debts	2,610,433	2,824,708
Expenses deductible for tax in later years	41,715,818	63,423,091
Deferred Tax Asset	64,607,363	85,685,216
Less : Deferred tax liability		
Depreciation and amortization	(8,913,786)	(6,264,049)
Deferred Tax Liability	(8,913,786)	(6,264,049)
Deferred Tax Assets (Net)	55,693,577	79,421,167

Notes to the financial statements

15 LONG TERM LOANS AND ADVANCES

	Non current portion		Current portion (refer note 20)	
	30 June 2014 ₹	30 June 2013 ₹	30 June 2014 ₹	30 June 2013 ₹
Unsecured, considered good				
Advance recoverable cash or kind	16,746,652	12,607,135	7,890,668	21,804,558
Advance income-tax (net of provision for tax of ₹ 375,426,717 previous year ₹ 73,849,633)	14,197,885	31,027,659	25,871,543	-
Prepaid expenses	322,916	1,390,696	17,078,371	18,451,398
Lease and other deposits	53,186,895	60,088,005	56,000	56,000
Service tax refund receivable	23,018,295	-	8,049,933	11,217,500
	107,472,643	105,113,495	58,946,515	51,529,456

16 OTHER NON-CURRENT ASSETS

	30 June 2014 ₹	30 June 2013 ₹
Margin money deposits	566,420	121,172
Interest accrued on bank deposits	46,954	24,919
	613,374	146,091

Margin money deposits

Margin money deposit represent deposit with banks given to various authorities amounting to ₹ 566,420 (2013: ₹ 121,172) which are due to mature after 12 months of the reporting date.

17 CURRENT INVESTMENT

	30 June 2014 ₹	30 June 2013 ₹
Investments in Mutual Fund		
Non Trade (unquoted)		
HDFC		
12,616,973.131 Liquid Fund Div Reinvest of ₹ 10.1982 (P.Y. 13,857,800.154 Liquid Fund Div Reinvest of ₹ 10.1982) (net asset value of unquoted investment)	128,670,415	141,324,617
ICICI Prudential		
915,061.465 Liquid Fund Div Reinvest of ₹ 100.0636 (P.Y. 1,355,178.118 Liquid Fund Div Reinvest of ₹ 100.0496) (net asset value of unquoted investment)	91,564,344	135,585,028
Birla Sun Life		
1,213,783.092 Liquid fund Div reinvest of ₹ 100.1950 (P.Y. 985,407.262 Liquid Fund Div Reinvest of ₹ 100.1950) (net asset value of unquoted investment)	121,614,997	98,732,880
	341,849,756	375,642,525

Notes to the financial statements	30 June 2014 ₹	30 June 2013 ₹
18 TRADE RECEIVABLES		
Unsecured		
Receivables for a period exceeding six months from the date they are due for payment		
Considered good	14,682,002	6,762,173
Considered doubtful	8,343,203	7,742,619
Less: Provision for doubtful receivable	(8,343,203)	(7,742,619)
(A)	14,682,002	6,762,173
Other receivables		
Considered good	265,148,738	261,405,359
Considered doubtful	586,800	567,789
Less: Provision for doubtful receivable	(586,800)	(567,789)
(B)	265,148,738	261,405,359
(A+B)	279,830,740	268,167,532
Trade receivables include:		
Due from subsidiaries and group companies in which director and member are interested	41,065,398	33,945,315
19 CASH AND BANK BALANCE		
Cash and cash equivalents		
Balances with Bank		
On current accounts	22,977,620	25,210,967
In EEFC accounts	26,680,542	13,815,866
Other bank balances		
Deposit maturing within three month to one year from reporting date	29,800,000	132,843,925
Margin money deposits	2,634,708	6,035,862
Unclaimed dividend accounts*	16,483,501	4,256,897
	98,576,371	182,163,517
*The Company can utilise this balance only towards settlement of unclaimed dividend		
Margin money deposits		
Margin money deposits represent deposit with banks given to various authorities amounting to ₹ 2,634,708 (2013: ₹6,035,862) which are due to mature within 12 months of the reporting date.		
20 SHORT TERM LOANS AND ADVANCES		
Unsecured , considered good unless otherwise stated		
Loans and advances	3,418,016	3,718,515
Advances recoverable in cash or kind	7,890,668	21,804,558
Service tax refund receivable	8,049,933	11,217,500
Prepaid expenses	17,078,371	18,451,398
Deposits	56,000	56,000
Advance income-tax (net of provision for tax of ₹ 73,161,943 previous year Nil) ...	25,871,543	-
	62,364,531	55,247,971
Loans and advances include:		
Due from subsidiaries and group companies in which director and member are interested	3,418,016	3,678,515

Notes to the financial statements	30 June 2014 ₹	30 June 2013 ₹
21 OTHER CURRENT ASSETS		
Interest accrued on bank deposits	449,880	3,515,110
Unbilled revenue (refer note 40)	158,859,801	200,597,921
Others	9,370,502	-
	<u>168,680,183</u>	<u>204,113,031</u>
Other current assets include:		
Due from subsidiaries and group companies in which director and member are interested	58,462,031	34,770,337
	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
22 REVENUE FROM OPERATION		
Sale of services	2,829,736,419	2,583,361,807
Other operating revenue		
Provision for doubtful debts recovered (net)	-	38,987,914
Reimbursement from clients	2,321,021	1,494,822
	<u>2,832,057,440</u>	<u>2,623,844,543</u>
23 OTHER INCOME		
Interest on bank deposits	8,703,566	14,855,225
Interest on income tax refunds	-	907,830
Foreign exchange gain, net	8,382,360	-
Credit balances written back	7,453,097	3,389,625
Dividend from subsidiary	133,335,145	14,310,630
Dividend from mutual funds	22,207,232	8,565,623
Profit on sale of asset, net	539,980	175,375
Miscellaneous income	12,872,540	5,003,411
	<u>193,493,920</u>	<u>47,207,719</u>
24 EMPLOYEE BENEFITS EXPENSE		
Salaries and incentives	1,030,748,711	876,033,225
Contribution to provident fund and other funds	30,106,576	24,509,311
Staff welfare expenses	42,464,293	37,935,875
Gratuity (refer note 35)	3,648,085	4,053,370
	<u>1,106,967,665</u>	<u>942,531,781</u>
25 FINANCE COSTS		
Bank charges	4,050,726	3,933,152
Interest on finance lease charges	-	696,122
	<u>4,050,726</u>	<u>4,629,274</u>

Notes to the financial statements	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
26 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of tangible fixed assets	72,698,822	59,560,862
Amortisation of intangible fixed assets	48,997,882	49,408,709
	121,696,704	108,969,571
27 OTHER EXPENSES		
Advertisement and sales promotion	22,174,274	22,077,676
Auditors Remuneration (Refer note below)	5,041,000	4,508,781
Commission and brokerage	47,743,548	82,534,481
Communication charges	16,713,354	15,782,138
Computer consumables	183,154	540,068
Connectivity charges	8,443,700	8,176,900
Data processing charges	12,982,348	36,333,538
Director's Commission	300,000	300,000
Director's sitting and committee fees	408,000	340,000
Donation	2,595,000	930,000
Insurance	3,417,502	3,439,131
Legal and professional fees	16,432,545	14,745,425
Management Fees	17,951,347	15,692,204
Foreign exchange loss (net)	-	41,822,609
Membership and subscription	6,956,660	6,155,480
Miscellaneous expenses	23,641,744	14,402,484
Power, fuel and water charges	31,022,528	31,183,616
Printing and stationery	2,638,196	3,193,872
Provision for doubtful debts, net of bad debt written off	2,211,458	-
Rates and taxes	2,536,437	5,884,422
Recruitment expenses	1,841,299	1,797,210
Rent (refer note 38)	87,754,978	86,747,362
Repair and maintenance :		
- Machinery	5,413,192	3,252,939
- Others	20,038,075	19,126,243
Software and maintenance	44,270,493	38,152,238
Technical consultants charges	96,491,007	82,079,227
Travelling and conveyance	66,909,404	56,481,997
	546,111,243	595,680,041
Auditor's Remuneration		
Audit Fees	4,121,000	3,850,000
Other services (tax audit and certification)	725,000	500,000
Out of pocket expenses	195,000	158,781
	5,041,000	4,508,781

Notes to the financial statements	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
28 PRODUCT DEVELOPMENT COST CAPITALISED INCLUDE		
Payroll cost	28,149,570	14,907,223
Technical consultants charges	9,496,184	10,356,375
Other direct cost	558,644	219,678
	38,204,398	25,483,276
29 EARNING PER EQUITY SHARE		
Number of shares (face value ₹ 10 each)	14,926,261	14,926,261
Profit after tax	895,933,688	712,442,184
Weighted average number of shares considered for Basic EPS	14,926,261	14,926,261
Weighted average number of shares considered for diluted EPS	14,926,261	14,926,261
Basic and Diluted EPS:		
Basic earnings per share	60.02	47.73
Diluted earnings per share	60.02	47.73
30 CAPITAL AND OTHER COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	2,571,995	28,905,827
31 CONTINGENT LIABILITIES		
Claims against the Company pertaining to Sales Tax with Asst. Commissioner of Sales Tax, (Appeals) - For F.Y. 2001-02 (disallowance of Software services and maintenance of software)	7,870,739	7,870,739
Contingent liability on account of rejection of refund of cenvat credit by Service Tax Department	11,217,500	-
32 EARNINGS IN FOREIGN CURRENCY		
Revenue from sale of software and services	2,569,697,802	2,325,232,825
Dividend income	133,334,145	14,310,630
Other operating revenue	2,321,021	1,494,822
	2,705,352,968	2,341,038,277

Notes to the financial statements	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
33 EXPENDITURE IN FOREIGN CURRENCY		
Consultancy and professional charges	56,938,205	40,424,203
Other expenses	31,724,969	16,009,009
Sale commission	47,743,548	82,337,481
Membership and subscription	4,549,517	17,991,366
Salaries and incentives	29,012,449	17,999,657
Travelling expenses (net)	14,722,743	9,310,219
Management Fees	17,951,347	15,692,204
	202,642,778	199,764,139

34 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

Year of remittance (ending on)	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
Period to which the dividend relates	2012-13	2011-12
Numbers of non-resident shareholders	19	20
Numbers of equity shares held on which dividend was due	11,250,319	11,257,423
Amount remitted	450,012,760	112,574,230
Period to which the dividend relates	2013-14 (Interim dividend)	2012-13 (Interim dividend)
Numbers of non-resident shareholders	19	19
Numbers of equity shares held on which dividend was due	11,223,125	11,251,319
Amount remitted	303,024,375	337,539,570

Notes to the financial statements

35 RETIREMENT BENEFITS TO EMPLOYEES

Gratuity

In accordance with Accounting Standards 15 (Revised) on Employee Benefits and applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC). LIC administers the plan and determines the contribution required to be paid by the Company.

Changes in present value of obligations

	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
a) Liability recognised in the balance sheet		
i) Present value of obligation		
Opening balance	42,625,324	28,876,773
Liabilities assumed in amalgamation	-	8,052,980
Current service cost	7,935,770	7,352,952
Interest cost	3,096,480	2,457,561
Actuarial (gain)/ loss on obligations	(4,286,119)	(2,535,797)
Benefits paid	(3,764,335)	(1,579,145)
Closing balance	45,607,120	42,625,324
ii) Fair value of plan assets		
Opening balance	38,032,537	24,831,340
Assets acquired in amalgamation	-	6,927,807
Expected return on plan assets	3,379,684	2,583,619
Employer's contributions	773,512	4,631,189
Actuarial gain / (loss) on plan assets	(281,638)	637,727
Benefits paid	(3,764,335)	(1,579,145)
Closing balance	38,139,760	38,032,537
Net liability recognised in the balance sheet (i-ii)	7,467,360	4,592,787
b) Expenses recognised in statement of Profit and Loss		
Current service cost	7,935,770	7,352,952
Interest Cost	3,096,480	2,457,561
Expected return on plan assets	(3,379,684)	(2,583,619)
Net actuarial (gain)/loss recognised during the period	(4,004,481)	(3,173,524)
Expenses recognised in statement of Profit and Loss	3,648,085	4,053,370
c) Break up of Plan assets		
LIC of India - Insurer Managed Fund	100.00%	100.00%
d) Principal actuarial assumptions		
Rate of discounting	8.80%	7.60%
Expected return on plan assets	9.25%	9.25%
Rate of increase in basic salary	5.00%	5.00%
Attrition rate	13.00%	13.00%

Notes to the financial statements	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
35 RETIREMENT BENEFITS TO EMPLOYEES (contd.)		
Mortality	Indian Assured Lives Mortality (2006-08) ultimate	LIC (1994-96) ultimate
Normal retirement age	58 years	58 years
Experience adjustment		
Present value of obligation	45,607,120	42,625,324
Plan assets	38,139,760	38,032,777
Surplus (deficit)	(7,467,360)	(4,592,547)
Experience adjustments on plan liabilities (loss)/gain	1,027,170	2,127,217
Experience adjustments on plan assets (loss)/gain	(281,638)	780,327
(Experience adjustment details for the year ended 30 June, 2011 & 2010 have not been disclosed as such information is not available.)		
	Year ended 30 June 2012 ₹	
Present value of obligation	36,890,044	
Plan assets	31,072,000	
Surplus (deficit)	(5,818,044)	
Experience adjustments on plan liabilities (loss)/gain	3,274,195	
Experience adjustments on plan assets (loss)/gain	(1,023,876)	
Leave encashment		
In accordance with Accounting Standards 15 (Revised) on Employee Benefits, the Company provides for leave salary on the basis of actuarial valuation.		
Principal actuarial assumptions		
Rate of discounting	8.80%	7.60%
Rate of increase in salary cost to company	11.00%	11.00%
Attrition rate	13.00%	13.00%
Mortality	Indian Assured Lives Mortality (2006-08) ultimate	LIC (1994-96) ultimate
Normal retirement age	58 years	58 years

36 SEGMENTAL REPORTING

In accordance with paragraph 4 of Accounting Standard 17 "Segment Reporting" prescribed in the Companies (Accounting Standards) Rules, 2006, issued by the central government, the Company has presented segmental information only on the basis of the consolidated financial statements (refer note 34 of consolidated financial statements).

Notes to the financial statements

37 RELATED PARTY TRANSACTIONS

(A) Related party disclosures

Related parties where control exists	Name	Holdings in %
Holding company	Accelya Holding World SLU	
Fellow Subsidiary	Accelya World SLU Accelya UK Limited Accelya France SAS Accelya America, S.A. de C.V.	
Subsidiaries	Kale Softech Inc Kale Revenue Assurance Services Limited Zero Octa UK Limited Zero Octa Selective Sourcing India Private Limited* Zero Octa Recruitment & Training (India) Private Limited*	100% 100% 100% 100% 100%
Key management personnel	Philippe Lesueur - Chairman Vipul Jain - Managing Director Gurudas Shenoy - Chief Financial Officer Ninad Umranikar - Company Secretary	

* Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited were amalgamated with the company effective 1st April 2013.

(B) Transactions with related parties

Nature of transactions	Year ended	Holding	Fellow Subsidiary	Subsidiaries	Key management personnel
Services rendered by the Company	30 June 2014	2,330,857	86,597,081	780,081,473	-
	30 June 2013	784,932	34,364,890	528,635,007	-
Services received by the Company	30 June 2014	-	2,780,473	-	-
	30 June 2013	-	3,910,305	10,742,210	-
Claims raised for expenses	30 June 2014	13,917,291	6,790,588	24,314,973	-
	30 June 2013	9,721,273	1,493,504	25,405,417	-
Claims received for expenses	30 June 2014	20,606,127	1,146,231	66,691,890	-
	30 June 2013	18,858,951	-	55,678,816	-
Remuneration	30 June 2014	-	-	-	31,818,988
	30 June 2013	-	-	-	28,785,393
Dividend Received	30 June 2014	-	-	133,334,145	-
	30 June 2013	-	-	14,310,630	-
Dividend Paid	30 June 2014	746,600,765	-	-	625,646
	30 June 2013	445,731,800	-	-	373,520
Purchase of Fixed Assets	30 June 2014	-	-	-	-
	30 June 2013	-	-	250,000	-
Credit balances written back	30 June 2014	-	-	4,000,232	-
	30 June 2013	-	-	-	-
Balances outstanding					
Payable	30 June 2014	3,962,095	2,361,585	16,508,986	2,000,000
	30 June 2013	4,337,510	110,928	13,065,310	2,418,030
Receivable	30 June 2014	3,942,760	24,509,507	74,493,178	-
	30 June 2013	3,286,400	19,311,629	49,796,138	-
Investment in subsidiary	30 June 2014	-	-	382,047,645	-
	30 June 2013	-	-	382,047,645	-

Notes to the financial statements	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
37 RELATED PARTY TRANSACTIONS (Continued)		
(C) Of the above items, the total related party transactions are as under		
Nature of transaction		
Income from Service rendered		
Kale Softech Inc	641,796,171	491,496,237
Zero Octa UK Limited	138,285,302	37,138,770
Accelya World SLU	48,234,337	25,867,651
Accelya Holding World SLU	2,330,857	784,932
Accelya France SAS	15,205,962	8,418,647
Accelya UK Limited	22,738,080	78,592
Accelya America, S.A. de C.V.	418,702	-
Purchase of services		
Accelya UK Limited	-	3,034,773
Zero Octa Selective Sourcing India Private Limited	-	10,742,210
Accelya World SLU	2,780,473	875,532
Expenses charged to group companies		
Kale Softech Inc	7,203,177	1,893,601
Zero Octa UK Limited	17,111,796	17,682,436
Zero Octa Selective Sourcing India Private Limited	-	5,829,380
Accelya France SAS	1,182,575	1,236,572
Accelya Holding World SLU	13,917,291	9,721,273
Accelya World SLU	3,580,927	256,932
Accelya UK Limited	1,734,655	-
Accelya America, S.A. de C.V.	292,432	-
Expenses charged by group companies		
Kale Softech Inc	66,502,624	55,430,167
Zero Octa UK Limited	189,266	248,649
Accelya world SLU	1,146,231	-
Accelya Holding world SLU	20,606,127	18,858,951
Salary/remuneration		
Vipul Jain	23,145,306	22,282,203
Gurudas Shenoy	6,108,685	4,303,127
Ninad Umranikar	2,564,997	2,200,064
Dividend received		
Kale Softech Inc	28,847,520	14,310,630
Kale Revenue Assurance Services Limited	104,486,625	-
Dividend paid		
Accelya Holding world SLU	746,600,765	445,731,800
Gurudas Shenoy	145,055	86,600
Ninad Umranikar	480,591	286,920

Notes to the financial statements	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
37 RELATED PARTY TRANSACTIONS (Continued)		
Purchase of Fixed Assets		
Zero Octa Selective Sourcing India Private Limited	-	250,000
Credit balances written back		
Zero Octa UK Limited	4,000,232	-
Payables		
Accelya Holding world SLU	3,962,095	4,337,510
Kale Softech Inc	4,713,704	4,494,852
Zero Octa UK Limited	11,795,282	8,570,458
Accelya world SLU	2,361,585	110,928
Vipul Jain	2,000,000	2,418,030
Receivables		
Kale Softech Inc	59,502,463	43,862,973
Zero Octa UK Limited	14,990,715	5,933,164
Accelya France SAS	3,469,470	1,241,136
Accelya Holding world SLU	3,942,760	3,286,400
Accelya world SLU	18,050,395	18,070,493
Accelya UK Limited	2,316,078	-
Accelya America, S.A. de C.V.	673,564	-

38 LEASES

Operating lease

The lease rental for office premises, guest house and godown charged to statement of profit and loss aggregates to ₹85,876,268 (previous year ₹ 85,355,454).

Future minimum lease commitments in respect of non cancellable operating leases:

	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
Not later than one year	74,479,934	81,563,748
Later than one year and not later than five years	192,198,322	197,363,115

Notes to the financial statements

39 DISCLOSURE UNDER MICRO SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The Company has no dues to micro and small enterprises during the periods ended June 30, 2014 and June 30, 2013 and as at June 30, 2014 and June 30, 2013

	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
Principal amount and the interest due thereon remaining unpaid to any supplier as at the year end	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible	-	-

40 Unbilled revenue include revenue based on percentage of completion ₹ 8,251,980 (previous year ₹ 23,588,707)

41 DERIVATIVE INSTRUMENT

The company uses forward exchange contracts and cross-currency option to hedge its exposure to movements in foreign exchange rates

i. Outstanding derivative instruments

Category	Currency Hedge	30 June 2014		30 June 2013	
		Foreign currency	₹	Foreign currency	₹
Forward exchange contracts (to hedge highly probable exports)	USD	12,550,000	753,251,000	19,000,000	1,131,070,000
	EUR	2,800,000	229,320,000	4,450,000	344,652,500
	GBP	1,500,000	153,315,000	-	-

Notes to the financial statements

II. Unhedged Foreign Currency exposures

Foreign currency	as at 30 June 2014		as at 30 June 2013	
	₹	Foreign currency	₹	Foreign currency
Payable-USD	37,644,117	627,193	25,392,331	426,547
Payable-GBP	31,511	308	243,591	2,690
Payable-Euro	4,255,989	51,966	5,182,899	66,919
Payable-NZD	477,223	9,081	-	-
Receivables – EURO	23,271,713	284,148	64,060,636	827,122
Receivables – AUD	28,586,525	505,598	53,818,502	988,897
Receivables – GBP	4,068,583	39,806	9,024,503	99,641
Receivables – USD	74,556,751	1,242,198	351,513,211	5,896,255
Receivables – HKD	2,536,766	327,748	4,361,280	595,045
EEFC - USD	6,566,055	109,398	12,885,857	216,460
EEFC - GBP	3,275,195	32,044	186,860	2,063
EEFC - EURO	16,839,292	205,608	743,149	9,595

42 Amalgamation of Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited

During the previous year the Board of Directors of the Company at its meeting held on 10 October, 2012, in-principle, approved the amalgamation of the subsidiaries of Zero Octa UK Limited- a step down subsidiary of Accelya Kale Solutions Limited (“the Company”) named Zero Octa Selective Sourcing India Private Limited engaged in rendering information enabled revenue assurance services and Zero Octa Recruitment and Training (India) Private Limited, with the Company. The scheme was approved by the Honourable High Court of Judicature at Bombay vide its order dated 5 July 2013. The scheme inter-alia, provided for the amalgamation of Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited with the company effective 1 April 2013 (the appointed date).

The Company had filed the certified copy of order issued by the Honourable High Court of Judicature at Bombay with the Registrar of Companies (ROC), Maharashtra on 22 July 2013.

In line with the Scheme, the merger of Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited, the amalgamation has been accounted for under the “Pooling of Interest” method as prescribed in Accounting Standard 14 (AS -14) “Accounting for Amalgamations” issued by the Institute of Chartered Accountants of India and as notified under section 211(3)(c) of the Companies Act 1956. There are no differences in the accounting policies followed by the Company and the amalgamated Company.

- All the assets and liabilities recorded in the books of the Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited have been transferred to and vested in the books of the Company pursuant to the Scheme at their book values as appearing in the books of Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited
- All reserves and surplus of Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited have been transferred to and vested in the books of the Company in the same form in which they appear in the books of Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited.
- Since Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited were subsidiaries of Zero Octa UK Limited- a step down subsidiary of Accelya Kale Solutions Limited (“the Company”), the investments held by Zero Octa UK Limited in the shares of Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited have been cancelled. The Share capital amounting to ₹ 1,500,000 of Zero Octa Selective Sourcing India Private Limited and share capital and premium amounting to ₹ 698,125 of Zero Octa Recruitment & Training (India) Private Limited have been credited to general reserve.

Notes to the financial statements

- d) The profit in the statement of profit and loss as of 1 April, 2013 amounting to ₹ 211,833,570 of Zero Octa Selective Sourcing India Private Limited and the loss of ₹ 506,977 of Zero Octa Recruitment & Training (India) Private Limited have been reflected in the statement of profit and loss of the company.
- e) The financial results for the year ended 30 June 2013 of the Company, includes the income and expenses of Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited from 1 April 2013 to 30 June 2013.

Balance Sheet of Zero Octa Selective Sourcing India Private Limited as at 31 March 2013 comprise:

	As at 31 March 2013 ₹
EQUITY AND LIABILITIES	
Shareholder's funds	
Share capital	15,00,000
Reserves and surplus	211,833,564
Non-current liabilities	
Other long-term liabilities	1,273,924
Long-term provisions	7,252,623
Current liabilities	
Trade Payables	905,118
Other current liabilities	9,414,062
Short-term provisions	8,158,579
Total	240,337,870
ASSETS	
Non-current assets	
Fixed assets	
Tangible assets	17,113,890
Intangible assets	2,188,637
Deferred tax assets (net)	4,869,207
Loans and advances	3,286,423
Current assets	
Current investment	112,278,902
Trade receivables	15,132,754
Cash and cash equivalents	76,477,888
Short Term Loans and advances	5,482,863
Other current assets	3,507,306
Total	240,337,870

Notes to the financial statements

Balance Sheet of Zero Octa Recruitment & Training (India) Private Limited as at 31 March 2013 comprise:

	As at 31 March 2013 ₹
EQUITY AND LIABILITIES	
Shareholder's funds	
Share capital	500,000
Reserves and surplus	(308,852)
Current liabilities	
Trade payable	48,000
Total	239,148
ASSETS	
Non-current assets	
Fixed assets	
Tangible assets	-
Intangible assets	-
Deferred tax assets (net)	8,630
Loans and advances	39,186
Current assets	
Cash and cash equivalents	185,192
Short Term Loans and advances	6,140
Total	239,148

43 Dividend distribution tax credit

Dividend distribution tax credit amounting to Rs. 22,660,138 represents the dividend distribution tax on dividend received from foreign subsidiary companies which is set-off against the dividend distribution tax paid on the interim dividend for the year ended 30 June, 2014 under the provisions of Income Tax Act, 1961.

44 Prior period comparatives

Previous year's figures have regrouped / reclassified to conform to current year's presentation as set out in table below:

Account head transferred from	Account head transferred to	Amount (₹)
Trade Payables	Other current liabilities	1,308,847

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia

Partner

Membership No: 042070

Mumbai

6 August 2014

Ninad Umranikar

Company Secretary

Thane

6 August 2014

Vipul Jain

Managing Director

For and on behalf of Board of Directors

Philippe Lesueur

Chairman

Gurudas Shenoy

Chief Financial Officer

Independent Auditors' Report on Consolidated Financial Statements

To the Board of Directors
Accelya Kale Solutions Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Accelya Kale Solutions Limited ("the Company" or "the Parent Company") and its subsidiaries (as per the list appearing in schedule 1 to the consolidated financial statements) [collectively referred to as "the Group"] which comprise the consolidated Balance Sheet as at 30 June 2014 and 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.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) Section 211 of the Companies Act, 1956 ("the Act"), read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 30 June 2014;
- ii. in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended 30 June 2014; and
- iii. in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended 30 June 2014.

Mumbai
6 August 2014

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No. 042070

Consolidated Balance Sheet as at 30 June 2014	Notes	30 June 2014 ₹	30 June 2013 ₹
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	149,268,660	149,268,660
Reserves and surplus	4	946,180,183	870,284,141
		1,095,448,843	1,019,552,801
Non-current liabilities			
Long-term borrowings	5	-	44,900
Other long-term liabilities	6	16,450,080	14,523,213
Long-term provisions	7	45,892,412	123,582,356
		62,342,492	138,150,469
Current liabilities			
Trade Payables	8	108,146,065	91,625,062
Other current liabilities	9	171,262,875	58,360,828
Short-term provisions	10	725,073,870	993,917,576
		1,004,482,810	1,143,903,466
TOTAL		2,162,274,145	2,301,606,736
ASSETS			
Non-current assets			
Goodwill		470,411,319	416,839,258
Fixed assets			
Tangible fixed assets	11	196,816,516	206,833,400
Intangible fixed assets	12	122,954,623	120,247,776
Capital work-in-progress	11	214,426	117,680
Intangible assets under development	12	10,385,462	19,286,541
Non-current investments	13	60,000	60,000
Deferred tax assets (net)	14	55,693,577	79,421,167
Long-term loans and advances	15	108,239,287	110,498,259
Other non-current assets	16	613,374	146,091
		965,388,584	953,450,172
Current assets			
Current investment	17	341,849,756	375,642,525
Trade receivables	18	381,122,526	333,907,933
Cash and Bank balances	19	229,504,364	344,698,471
Short-term loans and advances	20	60,365,845	58,079,873
Other current assets	21	184,043,070	235,827,762
		1,196,885,561	1,348,156,564
TOTAL		2,162,274,145	2,301,606,736
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements as per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia

Partner

Membership No: 042070

Mumbai

6 August 2014

Ninad Umranikar

Company Secretary

Thane

6 August 2014

Vipul Jain

Managing Director

For and on behalf of Board of Directors

Philippe Lesueur

Chairman

Gurudas Shenoy

Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 30 June 2014	Notes	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
Revenue			
Revenue from operations	22	3,167,371,583	3,038,367,258
Other income	23	47,926,278	47,911,026
Total revenue		<u>3,215,297,861</u>	<u>3,086,278,284</u>
Expenses			
Employee benefits expense	24	1,206,580,960	1,112,032,134
Finance costs	25	4,753,318	5,282,837
Depreciation and amortization	26	122,041,314	115,256,449
Other expenses	27	628,616,842	648,129,842
Less: Product development cost capitalised	28	(38,204,398)	(25,483,276)
Total expenses		<u>1,923,788,036</u>	<u>1,855,217,986</u>
Profit before taxation		1,291,509,825	1,231,060,298
Less : Provision for taxation			
Current tax		430,701,794	399,228,492
Deferred tax charge/ (credit)		23,727,590	(11,926,935)
Mat Credit entitlement		(2,179,987)	-
Dividend distribution tax credit	40	(22,660,138)	-
Profit after taxation		<u>861,920,566</u>	<u>843,758,741</u>
Earnings per equity share (face value of ₹ 10 each)	29		
Basic and diluted		57.75	56.53
Significant accounting policies	2		

The notes referred to above form an integral part of financial statements as per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia

Partner

Membership No: 042070

Mumbai

6 August 2014

Ninad Umranikar

Company Secretary

Thane

6 August 2014

Vipul Jain

Managing Director

For and on behalf of Board of Directors

Philippe Lesueur

Chairman

Gurudas Shenoy

Chief Financial Officer

Consolidated Cash flow statement for the year ended 30 June 2014	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
Cash Flows from operating activities		
Net Profit before tax	1,291,509,825	1,231,060,298
Adjustments for:		
Depreciation and amortization	122,041,314	115,256,449
Profit on sale of fixed asset	(543,163)	(1,316,126)
Provision for doubtful debts	5,570,510	(38,132,312)
Credit balances written back	(3,487,938)	(6,984,073)
Effect of exchange difference on translation of subsidiaries	16,089,389	8,134,448
Unrealised exchange gain	9,860,588	(18,829,449)
Interest income	(8,703,655)	(22,935,834)
Interest expense	4,753,318	5,282,837
Mark to market loss on derivative contract	(55,636,944)	68,379,082
Dividend income	(22,208,232)	(10,244,525)
Operating cash flow before working capital changes	1,359,245,012	1,329,670,795
Increase in current liabilities and provisions	132,264,279	71,090,890
(Increase)/decrease in trade receivables	(58,261,940)	24,311,265
(Increase)/decrease in loans and advances	(705,891)	40,249,038
Decrease in unbilled revenue	58,089,964	26,445,191
Cash generated from operations	1,490,631,414	1,491,767,179
Taxes paid, net	(450,476,019)	(349,932,134)
Net cash provided by operating activities (A)	1,040,155,405	1,141,835,045
Cash flows from investing activities		
Purchase of fixed assets	(79,167,322)	(152,957,698)
Proceeds from sale of fixed assets	765,570	1,842,382
Interest received	11,746,850	24,217,000
Dividend received	22,208,232	10,244,525
Purchase of Investment in a Mutual fund	(2,592,207,231)	(1,340,142,525)
Sale of Investment in a Mutual fund	2,626,000,000	964,500,000
Investment in deposit having maturity more than 3 month	(491,865,474)	(1,411,283,925)
Deposit matured	598,310,548	1,525,189,436
Net cash provided/ (used in) investing activities (B)	95,791,173	(378,390,805)

Consolidated Cash flow statement (contd.) for the year ended 30 June 2014	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
Cash flow from financing activities		
Repayment of long term borrowing	(44,900)	(636,308)
Dividend paid	(1,135,132,849)	(696,348,630)
Interest paid	(4,753,318)	(5,282,837)
Net cash used by financing activities (C)	<u>(1,139,931,067)</u>	<u>(702,267,775)</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(3,984,489)	61,176,465
Effect of exchange differences on cash and cash equivalents held in foreign currency	(4,764,539)	(2,333,731)
Cash and cash equivalents at the beginning of the year	205,818,684	146,975,950
Cash and cash equivalents at the end of the year	<u>197,069,656</u>	<u>205,818,684</u>
Note:		
Components of cash and cash equivalents		
Balance with banks		
in current accounts	153,905,613	187,745,921
in EEFC accounts	26,680,542	13,815,866
Unclaimed dividend *	16,483,501	4,256,897
Total cash and cash equivalents	<u>197,069,656</u>	<u>205,818,684</u>

*The Company can utilise this balance only towards settlement of unclaimed dividend.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of Board of Directors

Bhavesh Dhupelia
Partner
Membership No: 042070

Ninad Umranikar
Company Secretary

Vipul Jain
Managing Director

Philippe Lesueur
Chairman

Gurudas Shenoy
Chief Financial Officer

Mumbai
6 August 2014

Thane
6 August 2014

Notes to the consolidated financial statements

1. Background

Accelya Kale Solutions Limited ("Accelya") is a software solutions provider to the global Airline and Travel industry.

Accelya delivers world class software products, managed processes, technology and hosting services. Accelya's industry solutions are driven by active partnerships with industry bodies and customers, and significant domain knowledge. Its customised approach in deploying these solutions supports clients with best fit solutions to match their requirements.

The list of subsidiaries considered in these consolidated financial statements as at 30 June, 2014 with percentage holding is summarized below:

Subsidiaries	Country of incorporation and other particulars	Percentage of holding by the immediate parent (%)	Year of consolidation
Kale Softech, Inc., USA	A Subsidiary of Accelya incorporated under the laws of United States of America	100%	1998-99
Kale Revenue Assurance Services Ltd, UK	A Subsidiary of Accelya incorporated under the laws of United Kingdom	100%	2007-08
Zero Octa UK Limited, UK	A Subsidiary of Kale Revenue Assurance Services Ltd, UK, incorporated under the laws of United Kingdom	100%	2007-08

2. Summary of significant accounting policies

a) Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act') and the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards ('AS') as prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013 to the extent applicable. The financial statements are presented in Indian Rupees except for number of shares/securities, per share data and where mentioned otherwise.

b) Basis of consolidation

These consolidated financial statements are prepared in accordance with the principles and procedures prescribed under AS 21-'Consolidated Financial Statements' for the purpose of preparation and presentation of consolidated financial statements.

The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances/ transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated unless cost cannot be recovered. Minority interests' share of profits or losses is adjusted against income to arrive at the net income attributable to the Company's shareholders. Minority interests' share of net assets is disclosed separately in the balance sheet.

The consolidated financial statements are prepared using uniform accounting policies for transactions and other similar events in similar circumstances across the Group.

c) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as of the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

d) Current-non-current classification

All assets and liabilities are classified into current and non current.

Notes to the consolidated financial statements

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) It is held primarily for the purpose of being traded;
- (c) It is expected to be realised within 12 months after the reporting date; or
- (d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date;

Current assets include the current portion of non current financial assets.

All other assets are classified as non current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) It is expected to be settled in the Company's normal operating cycle;
- (b) It is held primarily for the purpose of being traded;
- (c) It is due to be settled within 12 months after the reporting date; or
- (d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

Current liabilities include current portion of non current financial liabilities.

All other liabilities are classified as non current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

e) Revenue recognition

Revenue is derived primarily from transaction processing, sale of software license, related implementation and maintenance service.

Revenue from transaction processing service i.e. airline ticket and coupon processing charges is recognized based on the rate fixed in the contract with customer based on the work completed.

Arrangements with customers for software development and related implementation services are classified as fixed-price contracts. Revenue from maintenance services are on a time and material basis.

Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license: except in cases of multiple element contracts, which require significant implementation services, revenue for the entire arrangement is recognized over the implementation period based upon the percentage-of-completion.

Revenue from fixed-price contracts where there is no uncertainty as to measurement or collectability of consideration, is recognized based on the percentage of completion. Percentage of completion is measured as a proportion of time spent on the contract till the balance sheet date to the total estimated time to complete the contract. When there is uncertainty as to measurement or ultimate collectability revenue recognition is postponed until such uncertainty is resolved. Cost and estimated earnings in excess of billings are classified as unbilled revenue while billing in excess of cost and estimated earnings are classified as unearned revenue. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenue.

The revenue from the transaction processing service is recognized based on the rate fixed in the contract entered with customer. Revenue from airline ticket and coupon processing charges is recognized on the basis of the work completed.

Revenue from client training, support and other services arising due to the sale of software products, is recognized as the related services are performed.

Notes to the consolidated financial statements

Interest income is recognized using the time proportion method based on the underlying interest rate.

Dividend income is recognized when the right to receive dividend is established.

f) Goodwill on consolidation

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the carrying value of the identifiable assets and liabilities of the subsidiary recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to the cash-generating unit that is expected to benefit from the synergies of the business combination. Cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized in goodwill is not reversed in a subsequent period.

g) Fixed assets and depreciation (including intangible assets)

Fixed assets are stated at cost of acquisition or construction, less accumulated depreciation and impairment, if any. Cost includes freight, duties, taxes and incidental expenditure relating to the acquisition and installation of fixed assets incurred up to the date the asset is ready for its intended use.

Assets costing less than Rs. 5,000 are fully charged to the profit and loss account in the year of acquisition.

Capital work-in-progress includes the cost of fixed assets that are not ready to use at the balance sheet date.

Depreciation on fixed assets is provided pro rata for the period of use based on management's best estimate of useful lives of the assets (which are shorter than those prescribed under the Companies Act, 1956) as summarised below:

Goodwill	Annual impairment test whenever there is indication that goodwill may be impaired
Leasehold improvement	To be amortized over the lesser of the period of lease and the useful life of the asset
Building	30 years
Computer equipment and Plant and machinery	3 to 6 years
Furniture, Fixture, Equipments and Other Assets	4 to 6 years
Software acquired /developed	3 to 5 years
Vehicles	5 years

h) Research and Development cost

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable and the Company has intention and the ability to complete and use or sell the software and the costs can be measured reliably.

i) Asset impairment

In accordance with AS 28-'Impairment of Assets', where there is an indication of impairment of the Company's asset, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss is recognized in the profit and loss account.

Notes to the consolidated financial statements

j) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long term investments.

Long term investments are carried at cost. Provision for diminution, is made to recognize a decline, other than temporary, in the value of long term investments and is determined separately for each individual investment. The fair value of a long term investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment. Current investments are carried at lower of cost and market value of each investment individually.

k) Leases

Operating lease

Lease rentals under an operating lease, are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

Finance Lease

Assets acquired under finance lease are recorded as an asset and liability at the inception of the lease and are recorded at an amount equal to lower of fair value of the leased asset and the present value of the future minimum lease payments.

l) Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the profit and loss account of the period.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end closing exchange rate and the resultant exchange differences are recognized in the profit and loss account. Non-monetary foreign currency items are carried at cost.

Translation of foreign operations

For translating the financial statements of foreign branches, these are classified into 'integral' and 'non integral' foreign operation.

Integral foreign operations are those which carry on their business as if they were an extension of the Company's operation. Other foreign operations are classified as non-integral.

The financial statements of an integral foreign operation are translated into Indian rupees as if the transaction of the foreign operation were those of the Company itself.

In the case of a non integral foreign operation, the assets and liabilities, both monetary and non-monetary, are translated at the closing exchange rate and income and expense items are translated at the exchange rates on the date of transaction. The resulting exchange differences are accumulated in foreign currency translation reserve. On the disposal of non-integral foreign operation, the cumulative amount of foreign currency translation reserve, which pertains to that operation, is recognised as income or expense.

The functional currency of the Company is the Indian Rupee. The functional currency for Zero Octa UK and Kale Revenue Assurance Services Limited is the UK Pound Sterling and of Kale Softech Inc. is the US Dollar. The translation of financial statements of non integral subsidiaries from the local currency to functional currency is performed for assets and liabilities using the rate prevailing at the date of the balance sheet. The items in the profit and loss account are translated at the average exchange rate during the period. Goodwill arising on the acquisition of non-integral operations is translated at exchange rates prevailing at the date of the balance sheet. The difference arising out of the translations are transferred to foreign currency translation reserve under reserves and surplus.

Derivative instruments

For forward foreign exchange contracts and other derivatives that are not covered by AS 11 and that relate to a firm commitment or highly probable forecasted transactions, are marked to market as on the reporting date and any loss on these contract is charged to the Statement of Profit and Loss.

Notes to the consolidated financial statements

m) *Employee benefits*

Defined Contribution Plan

Company's contributions during the year to Provident Fund are recognized in the Statement of Profit and Loss.

Defined Benefit Plan

The Company's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to one additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance Sheet date. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

Provision for leave encashment cost has been made based on actuarial valuation by an independent actuary at balance sheet date.

The employees of the Company are entitled to compensated absence. The employees can carry-forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at termination of employment for the unutilized accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

n) *Income taxes*

Income-tax expenses comprise current tax and deferred tax charge or credit.

Current taxes

Provision for current income-tax is recognised in accordance with the provisions of Indian Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

The profits pertaining to units situated at Software Technology Park, Mumbai, Pune and Goa of the Company were exempt from taxes under the Income tax Act, 1961, being profit from industrial undertakings situated in Software Technology Park. Under Section 10A / 10B of the Income tax Act, 1961, the Company availed an exemption of profits from income tax for the periods end with 31 March 2011 in relation to its undertakings set up in the Software Technology Park.

The Income tax Act, 1961 allows credit in respect of Minimum Alternate Tax ("MAT") paid under section 115JB, to be carried forward up to seven succeeding assessment years. The amount of MAT credit can be set-off only in the year in which the Company is liable to pay tax as per the normal provisions of the Income tax Act, 1961, and such tax is in excess of MAT for that year. The amount of set-off would be to the extent of excess of normal income-tax over the amount of MAT calculated as if Section 115JB had been applied for that assessment year for which the set-off is being allowed.

In accordance with the guidance note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income tax Act, 1961" issued by the Institute of Chartered Accountants of India, MAT paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax within the eligible period and the asset can be measured reliably.

Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result from differences between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Deferred tax assets on timing differences are recognized only if there is

Notes to the consolidated financial statements

a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

o) Earnings per share ('EPS')

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which may be issued on conversion of all dilutive potential shares, unless the results would be anti – dilutive.

p) Provisions and contingent liabilities

Provisions are recognized when the Company recognizes that it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in financial statements. However, contingent assets are assessed continuously and if it is virtually certain that economic benefit will arise, the assets and related income are recognized in the period in which the changes occur.

q) Onerous contracts

Provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

r) Employee stock options

The Company determines the compensation cost based on the intrinsic value method. The compensation cost is amortized on a straight line basis over the vesting period.

Notes to the consolidated financial statements	30 June 2014 ₹	30 June 2013 ₹
3 SHARE CAPITAL		
<i>Authorised</i>		
20,200,000 (previous year 20,200,000) equity shares of ₹ 10 each	202,000,000	202,000,000
<i>Issued, subscribed and paid-up</i>		
14,926,261 (2013: 14,926,261) equity shares of ₹ 10 each fully paid up	149,262,610	149,262,610
Forfeited shares	6,050	6,050
Total issued, subscribed and paid-up	149,268,660	149,268,660

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares

	30 June 2014		30 June 2013	
	No. of shares	₹	No. of shares	₹
At the beginning and end of year	14,926,261	149,262,610	14,926,261	149,262,610

b. Right, preference and restriction attached to equity shares

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting right of an equity shareholder on a poll (not on show of hands) is in proportion to its share of the paid-up equity capital of the company. Voting right cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity held.

c. Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company are as follows:

	30 June 2014 ₹	30 June 2013 ₹
Accelya Holding World S.L.U.		
11,143,295 (2013 : 11,143,295) equity shares of ₹ 10 each fully paid	111,432,950	111,432,950

d. Details of shareholders holding more than 5% shares in the Company

	30 June 2014		30 June 2013	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
Equity shares of ₹ 10 each fully paid				
Accelya Holding World S.L.U.	11,143,295	74.66	11,143,295	74.66

Notes to the consolidated financial statements

3 SHARE CAPITAL (continued)

- e. **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

During the five year period ended 30th June 2014

The Board of Directors of the Company at its meeting held on 1 February 2012 approved the buyback of its own fully paid up equity shares of ₹ 10/- each from the existing owners of equity shares other than Accelya Holding World S. L.U., the promoter at a price not exceeding ₹ 160 per equity share payable in cash, for an aggregate amount not exceeding ₹129,750,080 which represents 10% of the aggregate paid-up equity capital and free reserves of the Company as on 30 June 2011. As on 2 May 2012, i.e. on the date of closure of the Buy-back offer, the Company has bought back 953,826 Equity Shares on BSE and NSE for a total consideration of ₹ 129,737,172, which represents 99.99% of the buy-back size of ₹ 129,750,080.

4 RESERVES AND SURPLUS

	30 June 2014 ₹	30 June 2013 ₹
Capital redemption reserve		
Balance as at the commencement and at the end of the year	9,538,260	9,538,260
Securities premium account		
Balance as at the commencement and at the end of the year	316,984,098	316,984,098
General reserve		
At the commencement of the year	147,360,066	76,115,848
Add : Transfer from statement of Profit and Loss	89,593,369	71,244,218
Balance at the end of the year	236,953,435	147,360,066
Foreign Currency Translation reserve		
At the commencement of the year	80,055,440	57,192,150
Movement during the year	69,661,450	22,863,290
Balance at the end of the year	149,716,890	80,055,440
Balance in the Statement of profit and loss		
At the commencement of the year	316,346,277	766,240,346
Add : Net profit for the year	861,920,566	843,758,741
Less: Appropriations		
Transfer to general reserve	89,593,369	71,244,218
Interim Dividend (current year amount per share ₹ 27, previous year amount per share ₹ 30)	403,009,047	447,787,830
Dividend distribution tax on Interim equity dividend paid	68,491,388	76,101,600
Final equity dividend paid (current year amount per share ₹ 22, previous year amount per share ₹ 40)	328,377,742	597,050,440
Dividend distribution tax on final equity dividend	55,807,797	101,468,722
Total appropriations	945,279,343	1,293,652,810
At the end of the year	232,987,500	316,346,277
Total reserve and surplus	946,180,183	870,284,141

Notes to the consolidated financial statements

5 LONG-TERM BORROWINGS

	Non current portion		Current portion (refer note 9)	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	₹	₹	₹	₹
Vehicle loans from bank/financial institution (secured)	-	44,900	-	636,308
	-	44,900	-	636,308
The above amount includes				
Secured borrowings	-	44,900	-	636,308
Net amount	-	44,900	-	636,308

Vehicle loans from bank/financial institution were secured by hypothecation of underlying vehicles. Vehicle loans carry interest in the range of 8% to 10% repayable in monthly instalments over 48 to 60 months from the date of its origination.

6 OTHER LONG-TERM LIABILITIES

	Non current portion		Current portion (Refer note 9)	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	₹	₹	₹	₹
Deposit received	1,635,561	1,635,561	-	-
Deferred rent liability	14,814,519	12,887,652	195,566	-
	16,450,080	14,523,213	195,566	-

7 LONG-TERM PROVISIONS

	Non current portion		Current portion (Refer note 10)	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	₹	₹	₹	₹
Provision for employee benefit				
- Leave encashment (refer note 33)	45,892,412	45,065,537	15,471,008	12,200,598
Other provision	-	78,516,819	-	-
	45,892,412	123,582,356	15,471,008	12,200,598

8 TRADE PAYABLES

	30 June 2014	30 June 2013
	₹	₹
Trade payable		
- dues to micro and small enterprises (refer note 37)	-	-
- dues to others	108,146,065	91,625,062
	108,146,065	91,625,062
Trade payable includes due to group companies	17,872,079	9,931,286

Notes to the consolidated financial statements	30 June 2014	30 June 2013
	₹	₹
9 OTHER CURRENT LIABILITIES		
Current maturities of vehicle loans from bank/financial institution	-	636,308
Income received in advance	110,843,475	35,947,563
Dues for capital goods	28,290,867	1,308,847
Deferred rent liability	195,566	-
Unclaimed dividends	16,483,501	4,256,897
Provident fund contribution payable	4,282,219	4,044,342
Profession tax payable	266,550	282,825
Tax deducted at source payable	9,541,555	10,921,330
Value added tax payable	654,193	672,271
Local body tax payable	361,533	-
UK - National insurance contribution payable	343,416	290,445
	171,262,875	58,360,828

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

10 SHORT-TERM PROVISIONS

Provision for employee benefit		
- Leave encashment (refer note 33)	15,471,008	12,200,598
- Gratuity (refer note 33)	7,467,360	4,592,787
Proposed Dividend	328,377,742	597,050,440
Tax on Proposed Dividend	55,807,797	101,468,722
Provision for salaries and incentives	200,895,696	87,578,425
Provision for litigation (Refer note (a) below)	1,000,000	1,267,137
Provision for wavier charges	12,777,461	16,083,248
Provision for mark to market loss on forward contract	42,091,346	97,728,290
Provision for Income Tax (Net of advance tax ₹ 544,662,644, previous year ₹ 101,019,368)	61,185,460	75,947,929
	725,073,870	993,917,576
(a) Movement in provision for litigation		
Balance as at the commencement of the year	1,267,137	1,000,000
Add/Less : Provision made/ (reversed) during the year	(267,137)	267,137
At the end of the year	1,000,000	1,267,137

Provision for litigation represents provision made for probable liabilities/claim arising out of pending disputes/litigation. Such provisions are generally affected by numerous uncertainties and management considers such uncertainties while making an estimate of these amounts.

Notes to the consolidated financial statements

11 TANGIBLE FIXED ASSETS

	Building ₹	Plant and machinery ₹	Furniture and fixture ₹	Vehicle ₹	Lease hold improvement ₹	Total ₹
Gross block (at cost)						
As at 1 July 2012	63,259,128	302,654,336	52,453,283	15,957,202	17,830,480	452,154,429
Additions during the year	-	87,454,668	10,318,118	-	10,485,875	108,258,661
Deletions/Disposals	-	52,987,144	1,661,248	862,960	6,656,401	62,167,753
Translation	-	152,285	39,805	-	-	192,090
As at 30 June 2013	63,259,128	337,274,145	61,149,958	15,094,242	21,659,954	498,437,427
Additions during the year	-	61,201,846	1,966,334	-	-	63,168,180
Deletions/Disposals	-	19,893,057	1,374,645	-	-	21,267,702
Translation	-	472,843	150,920	-	-	623,763
As at 30 June 2014	63,259,128	379,055,777	61,892,567	15,094,242	21,659,954	540,961,668
Depreciation						
As at 1 July 2012	28,287,908	199,901,358	43,890,232	8,717,644	7,959,929	288,757,071
Charge for the year	2,108,638	51,056,768	4,760,081	2,015,828	4,395,765	64,337,080
Deletions/Disposals	-	52,477,544	1,644,254	862,960	6,656,738	61,641,496
Translation	-	113,411	37,961	-	-	151,372
As at 30 June 2013	30,396,546	198,593,993	47,044,020	9,870,512	5,698,956	291,604,027
Charge for the year	2,108,638	60,191,716	4,303,887	1,864,310	4,574,881	73,043,432
Deletions/Disposals	-	19,700,867	1,344,428	-	-	21,045,295
Translation	-	405,115	137,873	-	-	542,988
As at 30 June 2014	32,505,184	239,489,957	50,141,352	11,734,822	10,273,837	344,145,152
Net Block						
As at 30 June 2013	32,862,582	138,680,152	14,105,938	5,223,730	15,960,998	206,833,400
As at 30 June 2014	30,753,944	139,565,820	11,751,215	3,359,420	11,386,117	196,816,516

	Capital work- in-progress
As at 1 July 2012	27,789,450
Additions	117,680
Assets capitalisation during the year	27,789,450
As at 30 June 2013	117,680
Additions	214,426
Assets capitalisation during the year	117,680
As at 30 June 2014	214,426

Notes to the consolidated financial statements

12 INTANGIBLE FIXED ASSETS

	Internally developed software ₹	Acquired software ₹	Total ₹
Gross block (at cost)			
As at 1 July 2012	275,240,561	187,887,744	463,128,305
Purchase/Internal development	6,711,225	42,741,448	49,452,673
Deletions/Disposals	-	-	-
As at 30 June 2013	281,951,786	230,629,192	512,580,978
Purchase/Internal development	46,780,475	4,924,254	51,704,729
Deletions/Disposals	-	-	-
As at 30 June 2014	328,732,261	235,553,446	564,285,707
Amortisation			
As at 1 July 2012	179,816,245	161,597,588	341,413,833
Charge for the year	27,758,919	23,160,450	50,919,369
Deletions/Disposals	-	-	-
As at 30 June 2013	207,575,164	184,758,038	392,333,202
Charge for the year	26,358,655	22,639,227	48,997,882
Deletions/Disposals	-	-	-
As at 30 June 2014	233,933,819	207,397,265	441,331,084
Net Block			
As at 30 June 2013	74,376,622	45,871,154	120,247,776
As at 30 June 2014	94,798,442	28,156,181	122,954,623

Intangible assets
under development

As at 1 July 2012	442,719
Additions	25,555,047
Assets capitalisation during the year	6,711,225
As at 30 June 2013	19,286,541
Additions	37,879,396
Assets capitalisation during the year	46,780,475
As at 30 June 2014	10,385,462

13 NON-CURRENT INVESTMENTS

	30 June 2014 ₹	30 June 2013 ₹
Trade investments (unquoted at cost, unless otherwise stated)		
<i>Investments in Shares of Banks</i>		
Rupee Co-op. Bank Limited		
5,000 equity shares of ₹ 10 each fully paid up (Previous Year 5,000 equity shares of ₹ 10 each fully paid up)	50,000	50,000
Saraswat Co-op. Bank Limited		
1,000 equity shares of ₹ 10 each fully paid up (Previous Year 1,000 equity shares of ₹ 10 each fully paid up)	10,000	10,000
	60,000	60,000

Notes to the consolidated financial statements

14 DEFERRED TAX ASSETS (NET)

	30 June 2014 ₹	30 June 2013 ₹
Deferred tax assets:		
Provision for Leave encashment	20,281,112	19,437,417
Provision for doubtful debts	2,610,433	2,824,708
Expenses deductible for tax in later years	41,715,818	63,423,091
Deferred Tax Asset	64,607,363	85,685,216
Less : Deferred tax liability		
Depreciation and amortization	(8,913,786)	(6,264,049)
Deferred Tax Liability	(8,913,786)	(6,264,049)
Deferred Tax Asset (Net)	55,693,577	79,421,167

15 LONG TERM LOANS AND ADVANCES

	Non current portion		Current portion (refer note 20)	
	30 June 2014 ₹	30 June 2013 ₹	30 June 2014 ₹	30 June 2013 ₹
Unsecured, considered good				
Advances recoverable in cash or kind	16,746,652	12,607,134	9,038,095	23,779,194
Advance income-tax (net of provision for tax of ₹ 375,426,717 previous year ₹ 118,435,758)	14,197,885	35,057,673	25,871,543	-
Prepaid expenses	322,916	1,390,696	14,517,824	21,469,164
Lease and other deposits	53,953,539	61,442,756	56,000	56,000
Service tax refund receivable	23,018,295	-	8,049,933	-
	108,239,287	110,498,259	57,533,395	45,304,358

16 OTHER NON-CURRENT ASSETS

	30 June 2014 ₹	30 June 2013 ₹
Margin money deposits	566,420	121,172
Interest accrued on bank deposits	46,954	24,919
	613,374	146,091

Margin money deposits

Margin money deposits represent deposit with banks given to various authorities amounting to ₹ 566,420 (2013: ₹ 121,172) which are due to mature after 12 months of the reporting date.

Notes to the consolidated financial statements

17 CURRENT INVESTMENT

	30 June 2014 ₹	30 June 2013 ₹
Investments in Mutual Fund		
Non Trade (unquoted)		
HDFC		
12,616,973.131 Liquid Fund Div Reinvest of ₹ 10.1982 (P.Y. 13,857,800.154 Liquid Fund Div Reinvest of ₹ 10.1982) (net asset value of unquoted investment)	128,670,415	141,324,617
ICICI Prudential		
915,061.465 Liquid Fund Div Reinvest of ₹ 100.0636 (P.Y. 1,355,178.118 Liquid Fund Div Reinvest of ₹ 100.0496) (net asset value of unquoted investment)	91,564,344	135,585,028
Birla Sun Life		
1,213,783.092 Liquid fund Div reinvest of ₹ 100.1950 (P.Y. 985,407.262 Liquid Fund Div Reinvest of ₹ 100.1950) (net asset value of unquoted investment)	121,614,997	98,732,880
	341,849,756	375,642,525

18 TRADE RECEIVABLES

Unsecured		
Receivables for a period exceeding six months from the date they are due for payment		
Considered good	6,983,138	49,629,838
Considered doubtful	11,142,104	9,218,712
Less: Provision for doubtful receivable	(11,142,104)	(9,218,712)
(A)	6,983,138	49,629,838
Other receivables		
Considered good	374,139,568	284,278,095
Considered doubtful	1,117,524	602,009
Less: Provision for doubtful receivable	(1,117,524)	(602,009)
(B)	374,139,568	284,278,095
(A+B)	381,122,526	333,907,933
Trade receivables include:		
Due from group companies	21,339,738	15,302,330

19 CASH AND BANK BALANCE

Cash and cash equivalents		
Balances with Bank		
On current accounts	153,905,613	187,745,921
In EEFC accounts	26,680,542	13,815,866
Other bank balances		
Deposit maturing within one year from reporting date	29,800,000	132,843,925
Margin money deposits	2,634,708	6,035,862
Unclaimed dividend accounts *	16,483,501	4,256,897
	229,504,364	344,698,471

*The Company can utilise this balance only towards settlement of unclaimed dividend.

Margin money deposits

Margin money deposits represent deposit with banks given to various authorities amounting to ₹ 2,634,708 (2013: ₹6,035,862) which are due to mature within 12 months of the reporting date.

Notes to the consolidated financial statements	30 June 2014 ₹	30 June 2013 ₹
20 SHORT TERM LOANS AND ADVANCES		
Unsecured , considered good unless otherwise stated		
Loans and advances	652,463	1,558,015
Advances recoverable in cash or kind	9,038,095	23,779,194
Service tax refund receivable	8,049,933	11,217,500
Prepaid expenses	14,517,824	21,469,164
Lease and other deposits	56,000	56,000
MAT credit entitlement	2,179,987	-
Advance income-tax (net of provision for tax of ₹ 73,161,943 previous year Nil) ...	25,871,543	-
	60,365,845	58,079,873
Loans and advances include:		
Due from group companies	562,433	-
21 OTHER CURRENT ASSETS		
Interest accrued on bank deposits	449,880	3,515,110
Unbilled revenue (refer note 38)	174,222,688	232,312,652
Others	9,370,502	-
	184,043,070	235,827,762
Other current assets include:		
Due from group companies	6,550,095	7,396,547
	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
22 REVENUE FROM OPERATION		
Sale of services	3,154,134,564	2,988,384,544
Other operating revenue		
Provision for doubtful debts recovered (net)	-	38,132,312
Reimbursement from clients	13,237,019	11,850,402
	3,167,371,583	3,038,367,258
23 OTHER INCOME		
Interest on bank deposits	8,703,655	22,935,834
Interest on income tax refunds	21,922	907,830
Credit balances written back	3,487,938	6,984,073
Dividend from mutual fund	22,208,232	10,244,525
Profit on sale of asset,net	543,163	1,316,126
Miscellaneous income	12,961,368	5,522,638
	47,926,278	47,911,026
24 EMPLOYEE BENEFITS EXPENSE		
Salaries and incentives	1,125,843,357	1,034,218,271
Contribution to provident fund and other funds	30,183,429	28,374,391
Staff welfare expenses	46,906,089	44,963,540
Gratuity (refer note 33)	3,648,085	4,475,932
	1,206,580,960	1,112,032,134

Notes to the consolidated financial statements	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
25 FINANCE COSTS		
Bank charges	4,753,318	4,586,715
Interest on finance lease charges	-	696,122
	4,753,318	5,282,837
26 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of tangible assets	73,043,432	64,337,080
Amortisation of intangible assets	48,997,882	50,919,369
	122,041,314	115,256,449
27 OTHER EXPENSES		
Advertisement and sales promotion	26,622,051	25,951,324
Auditors Remuneration (Refer note below)	5,847,194	4,945,281
Commission and brokerage	47,743,548	82,534,481
Communication charges	18,527,862	18,302,178
Computer consumables	203,493	581,298
Connectivity charges	8,443,700	8,176,900
Data processing charges	12,982,348	25,591,326
Director's Commission	300,000	300,000
Director's sitting and committee fees	554,727	453,524
Donation	2,595,000	930,000
Insurance	4,052,613	4,019,508
Legal and professional fees	17,714,164	18,269,206
Management fees	17,951,347	15,692,204
Foreign exchange loss (net)	3,728,078	41,439,527
Membership and subscription	9,249,631	8,088,024
Miscellaneous expenses	27,768,567	21,512,864
Power, fuel and water charges	31,073,354	33,307,800
Printing and stationery	2,767,718	3,377,246
Provision for doubtful debts, net of bad debt written off	5,570,510	-
Rates and taxes	2,849,442	6,914,718
Recruitment expenses	1,834,283	2,346,643
Rent (refer note 36)	90,383,848	95,476,742
Repair and maintenance :		
- Machinery	5,426,185	3,296,519
- Others	20,692,694	20,272,376
Software and maintenance	123,975,415	88,444,718
Technical consultants charges	61,825,442	53,460,534
Travelling and conveyance	77,933,628	64,444,901
	628,616,842	648,129,842
Auditor's Remuneration		
Audit Fees	4,927,194	4,286,500
Other services (tax audit and certification)	725,000	500,000
Out of pocket expenses	195,000	158,781
	5,847,194	4,945,281

Notes to the consolidated financial statements	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
28 PRODUCT DEVELOPMENT COST CAPITALISED INCLUDE		
Payroll cost	28,149,570	14,907,223
Technical consultants charges	9,496,184	10,356,375
Other direct cost	558,644	219,678
	38,204,398	25,483,276
29 EARNING PER EQUITY SHARE		
Number of shares (face value ₹ 10 each)	14,926,261	14,926,261
Profit after tax	861,920,566	843,758,741
Weighted average number of shares considered for Basic EPS	14,926,261	14,926,261
Weighted average number of shares considered for diluted EPS	14,926,261	14,926,261
Basic and Diluted EPS:		
Basic earnings per share	57.75	56.53
Diluted earnings per share	57.75	56.53
30 CAPITAL AND OTHER COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	2,571,995	28,905,827
31 CONTINGENT LIABILITIES		
Claims against the Company pertaining to Sales Tax with Asst. Commissioner of Sales Tax, (Appeals) - For F.Y. 2001-02 (disallowance of Software services and maintenance of software)	7,870,739	7,870,739
Contingent liability on account of rejection of refund of cenvat credit by Service Tax Department	11,217,500	-
32 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE		
Year of remittance (ending on)	30 June 2014	30 June 2013
Period to which the dividend relates	2012-13	2011-12
Numbers of non-resident shareholders	19	20
Numbers of equity shares held on which dividend was due	11,250,319	11,257,423
Amount remitted	450,012,760	112,574,230
Period to which it relates	2013-14 (Interim dividend)	2012-13 (Interim dividend)
Numbers of non-resident shareholders	19	19
Numbers of equity shares held on which dividend was due	11,223,125	11,251,319
Amount remitted	303,024,375	337,539,570

Notes to the consolidated financial statements

33 RETIREMENT BENEFITS TO EMPLOYEES

Gratuity

In accordance with Accounting Standards 15 (Revised) on Employee Benefits and applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC). LIC administers the plan and determines the contribution required to be paid by the Company.

Changes in present value of obligations

	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
a) Liability recognised in the balance sheet		
i) Present value of obligation		
Opening balance	42,625,324	36,890,044
Current service cost	7,935,770	8,253,570
Interest cost	3,096,480	2,920,791
Actuarial gain on obligations	(4,286,119)	(2,897,796)
Benefits paid	(3,764,335)	(2,541,285)
Closing balance	45,607,120	42,625,324
ii) Fair value of plan assets		
Opening balance	38,032,537	31,072,000
Expected return on plan assets	3,379,684	3,020,306
Employer's contributions	773,512	5,701,524
Actuarial gain / (loss) on plan assets	(281,638)	780,327
Benefits paid	(3,764,335)	(2,541,285)
Closing balance	38,139,760	38,032,537
Net liability recognised in the balance sheet (i-ii)	7,467,360	4,592,787
b) Expenses recognised in statement of Profit and Loss		
Current service cost	7,935,770	8,253,570
Interest Cost	3,096,480	2,920,791
Expected return on plan assets	(3,379,684)	(3,020,306)
Net actuarial gain recognised during the period	(4,004,481)	(3,678,123)
Expenses recognised in statement of Profit and Loss	3,648,085	4,475,932
c) Break up of Plan assets		
LIC of India - Insurer Managed Fund	100.00%	100.00%
d) Principal actuarial assumptions		
Rate of discounting	8.80%	7.60%
Expected return on plan assets	9.25%	9.25%
Rate of increase in salary cost to company	5.00%	5.00%
Attrition rate	13.00%	13.00%
Mortality	Indian Assured Lives Mortality (2006-08) ultimate	LIC (1994-96) ultimate
Normal retirement age	58 years	58 years

Notes to the consolidated financial statements

	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
Experience adjustment		
Present value of obligation	45,607,120	42,625,324
Plan assets	38,139,760	38,032,777
Surplus (deficit)	(7,467,360)	(4,592,547)
Experience adjustments on plan liabilities (loss)/gain	1,027,170	2,127,217
Experience adjustments on plan assets (loss)/gain	(281,638)	780,327
(Experience adjustment details for the year ended 30 June, 2011 & 2010 have not been disclosed as such information is not available.)		

	Year ended 30 June 2012 ₹
Present value of obligation	36,980,044
Plan assets	31,072,000
Surplus (deficit)	(5,818,044)
Experience adjustments on plan liabilities (loss)/gain	3,274,195
Experience adjustments on plan assets (loss)/gain	(1,023,876)

Leave encashment

In accordance with Accounting Standards 15 (Revised) on Employee Benefits, the Company provides for leave salary on the basis of actuarial valuation.

Principal actuarial assumptions

Rate of discounting	8.80%	7.60%
Rate of increase in cost to company	11.00%	11.00%
Attrition rate	13.00%	13.00%
Mortality	Indian Assured Lives Mortality (2006-08) ultimate	LIC (1994-96) ultimate
Normal retirement age	58 years	58 years

Notes to the consolidated financial statements

34 SEGMENTAL REPORTING

The Company has one business segment which addresses the Travel and Transportation vertical. This, in context of Accounting Standard 17 (AS17) on segment reporting, is considered to constitute one single segment.

Geographic segments

Continents	Country
Asia Pacific	India, China, New Zealand, Japan, Hong Kong, Singapore Indonesia, Australia, Bangladesh, Fiji, Malaysia, Russia, South Korea, Seychelles, Sultanate of Brunei, Taiwan, Thailand and Vietnam
Middle East and Africa	Casablanca, Mauritius, Zimbabwe, Kenya, Tanzania, Angola, Bahrain, Iran, Kuwait, Namibia, Rwanda, Saudi Arabia, South Africa, UAE and Yemen
Americas	USA, Canada, Argentina, Brazil, Chile, Colombia, El Salvador, Panama, and Mexico
Europe	Germany, Holland, France, Portugal, Italy, United Kingdom, Czech Republic, Denmark, Finland, Greece, Luxembourg, Poland, Spain and Turkey

Segment revenues

Revenues are attributable to individual geographic segments based on location of the end customer.

Capital Employed

Capital employed comprises debtors, unbilled revenue, income received in advance, expense recoverable from clients, goodwill, fixed assets and other direct liabilities classified by reportable segments. The Company believes that it is currently not practicable to provide segment disclosures relating to other assets and liabilities apart from above and hence, those assets and liabilities have been included under unallocated.

Continent wise geographical revenue and capital employed

Continent	Revenue		Capital employed	
	For the year ended 30 June 2014 ₹	For the year ended 30 June 2013 ₹	As at 30 June 2014 ₹	As at 30 June 2013 ₹
Asia Pacific	941,806,344	740,842,990	377,944,256	473,339,482
Middle East and Africa	706,101,124	918,313,959	(58,946,404)	44,283,886
Americas	1,039,741,967	866,328,359	193,136,377	179,507,609
Europe	479,722,148	474,749,638	597,095,422	572,934,387
Un-allocable assets	-	-	(13,780,808)	(249,831,357)
Total	3,167,371,583	3,000,234,946	1,095,448,843	1,020,234,007

Notes to the consolidated financial statements

35 RELATED PARTY TRANSACTIONS

(A) Related party disclosures

Related parties where control exists	Name
Holding company	Accelya Holding World SLU
Fellow Subsidiary	Accelya World SLU Accelya UK Limited Accelya France SAS Accelya America, S.A. de C.V.
Key management personnel	Philippe Lesueur - Chairman Vipul Jain - Managing Director Gurudas Shenoy - Chief Financial Officer Ninad Umranikar - Company Secretary

(B) Transactions with related parties

Nature of transactions	Year ended	Holding	Fellow Subsidiary	Key management personnel
Services rendered by the Company	30 June 2014	2,330,857	86,597,081	-
	30 June 2013	784,932	34,431,861	-
Services received by the Company	30 June 2014	-	75,530,105	-
	30 June 2013	-	46,270,813	-
Claims raised for expenses	30 June 2014	13,950,742	6,790,588	-
	30 June 2013	9,755,167	1,493,504	-
Claims received for expenses	30 June 2014	21,538,873	6,483,771	-
	30 June 2013	19,623,167	591,575	-
Remuneration	30 June 2014	-	-	31,818,988
	30 June 2013	-	-	28,785,393
Dividend Paid	30 June 2014	746,600,765	-	625,646
	30 June 2013	445,731,800	-	373,520
Balances outstanding				
Payable	30 June 2014	4,197,198	13,674,881	2,000,000
	30 June 2013	4,549,250	5,382,035	2,418,030
Receivable	30 June 2014	3,942,760	24,509,507	-
	30 June 2013	3,320,277	19,378,600	-

(C) Of the above items, the total related party transactions are as under

Nature of transaction

Income from Service rendered

	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
Accelya World SLU	48,234,337	25,934,623
Accelya Holding World SLU	2,330,857	784,932
Accelya France SAS	15,205,962	8,418,647
Accelya UK Limited	22,738,080	78,592
Accelya America, S.A. de C.V.	418,702	-

Purchase of services

Accelya UK Limited	-	3,034,772
Accelya World SLU	75,530,105	43,236,041

Notes to the consolidated financial statements

35 RELATED PARTY TRANSACTIONS (Continued)

	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
Expenses charged to group companies		
Accelya France SAS	1,182,575	1,236,572
Accelya America, S.A. de C.V.	292,432	-
Accelya UK Limited	1,734,655	-
Accelya Holding World SLU	13,950,742	9,755,167
Accelya World SLU	3,580,927	256,932
Expenses charged by group companies		
Accelya UK Limited	4,630,830	-
Accelya Holding world SLU	21,538,873	19,623,167
Accelya World SLU	1,852,941	591,575
Salary/remuneration		
Vipul Jain	23,145,306	22,282,203
Gurudas Shenoy	6,108,685	4,303,127
Ninad Umranikar	2,564,997	2,200,064
Dividend paid		
Accelya Holding world SLU	746,600,765	445,731,800
Gurudas Shenoy	145,055	86,600
Ninad Umranikar	480,591	286,920
Payables		
Accelya Holding World SLU	4,197,198	4,549,250
Accelya World SLU	13,196,538	5,382,035
Accelya UK Limited	478,343	-
Vipul Jain	2,000,000	2,418,030
Receivables		
Accelya America, S.A. de C.V.	673,564	-
Accelya Holding World SLU	3,942,760	3,320,277
Accelya UK Limited	2,316,078	-
Accelya France SAS	3,469,470	1,241,136
Accelya World SLU	18,050,395	18,137,464

36 LEASES

Operating lease

The lease rental for office premises, guest house and godown charged to statement of profit and loss aggregates to ₹88,505,138 (previous year ₹ 94,084,834).

Future minimum lease commitments in respect of non cancellable operating leases:

	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
Not later than one year	76,333,870	83,069,914
Later than one year and not later than five years	197,655,781	204,614,820

Notes to the consolidated financial statements

37 DISCLOSURE UNDER MICRO SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The Company has no dues to micro and small enterprises during the periods ended June 30, 2014 and June 30, 2013 and as at June 30, 2014 and June 30, 2013

	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
Principal amount and the interest due thereon remaining unpaid to any supplier as at the year end	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible	-	-

38 Unbilled revenue include revenue based on percentage of completion basis ₹ 8,601,913 (previous year ₹ 131,959,202)

39 Amalgamation of Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited

During the previous year the Board of Directors of the Company at its meeting held on 10 October, 2012, in-principle, approved the amalgamation of the subsidiaries of Zero Octa UK Limited- a step down subsidiary of Accelya Kale Solutions Limited (“the Company”) named Zero Octa Selective Sourcing India Private Limited engaged in rendering information enabled revenue assurance services and Zero Octa Recruitment and Training (India) Private Limited, with the Company. The scheme was approved by the Honourable High Court of Judicature at Bombay vide its order dated 5 July 2013. The scheme inter-alia, provided for the amalgamation of Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited with the company effective 1 April 2013 (the appointed date).

The Company had filed the certified copy of order issued by the Honourable High Court of Judicature at Bombay with the Registrar of Companies (ROC), Maharashtra on 22 July 2013.

In line with the Scheme, the merger of Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited, the amalgamation has been accounted for under the “Pooling of Interest” method as prescribed in Accounting Standard 14 (AS -14) “Accounting for Amalgamations” issued by the Institute of Chartered Accountants of India and as notified under section 211(3)(c) of the Companies Act 1956. There are no differences in the accounting policies followed by the Company and the amalgamated Company.

All the assets and liabilities recorded in the books of the Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited have been transferred to and vested in the books of the Company pursuant to the Scheme at their book values as appearing in the books of Zero Octa Selective Sourcing India Private Limited and Zero Octa Recruitment & Training (India) Private Limited

40 Dividend distribution tax credit

Dividend distribution tax credit amounting to Rs. 22,660,138 represents the dividend distribution tax on dividend received from foreign subsidiary companies which is set-off against the dividend distribution tax paid on the interim dividend for the year ended 30 June, 2014 under the provisions of Income Tax Act, 1961.

Notes to the consolidated financial statements

41 Prior period comparatives

Previous year's figures have regrouped / reclassified to conform to current year's presentation as set out in table below:

Account head transferred from	Account head transferred to	Amount (₹)
Trade Payables	Other current liabilities	1,308,847
Short-term provisions	Other current liabilities	290,445

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia

Partner

Membership No: 042070

Mumbai

6 August 2014

Ninad Umranikar

Company Secretary

Thane

6 August 2014

Vipul Jain

Managing Director

For and on behalf of Board of Directors**Philippe Lesueur**

Chairman

Gurudas Shenoy

Chief Financial Officer

Statement pursuant to Section 212 of the Companies Act, 1956

Sr. No.	Particulars	Kale Softech Inc.	Kale Revenue Assurance Services Limited	Zero Octa UK Limited*
		(USA)	(UK)	(UK)
1	Financial Year Ended	June 30, 2014	June 30, 2014	June 30, 2014
2	Shares of subsidiary held by the company directly or through its subsidiary companies as on June 30, 2014			
	a. Number of Shares and face value	1,300,000 Class A voting common stock of USD 0.01 each 100%	4,150,000 Share of GBP 1 each 100%	111,000 Ordinary Shares of GBP 1 each 100%
	b. Extent of Holding			
3	Net aggregate amount of profit/ (loss) of the subsidiary so far as it concerns the members of Accelya Kale Solutions Limited for the current financial year			
	a. Dealt with in the accounts of Accelya Kale Solutions Limited	Nil	Nil	Nil
	b. Not dealt with in the accounts of Accelya Kale Solutions Limited	USD 484,264	GBP 1,075,862	GBP 743,851
4	Net aggregate amount of profit / (loss) of the subsidiary so far as it concerns the members of Accelya Kale Solutions Limited for the previous financial year			
	a. Dealt with in the accounts of Accelya Kale Solutions Limited	Nil	Nil	Nil
	b. Not dealt with in the accounts of Accelya Kale Solutions Limited	USD 447,177	GBP 613,206	GBP 1,066,224

* By virtue of Section 4(1)(c) of the Companies Act, 1956, Zero Octa UK Limited is the subsidiary of the Company.

Financial Information relating to Subsidiary Companies for the year ended June 30, 2014

(Currency : ₹)

Name of the Subsidiary Companies	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (except in case of investments in the subsidiary)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend
Kale Softech, Inc.	780,260	106,370,806	185,680,518	78,529,452	-	704,973,193	48,475,933	19,410,408	29,065,525	-
Kale Revenue Assurance Services Limited	424,171,534	117,338,111	541,826,496	316,851	-	-	109,963,864	-	109,963,864	-
Zero Octa UK Limited*	113,453	95,463,023	140,006,860	44,430,384	-	399,908,820	96,910,317	20,881,300	76,029,017	-

* By virtue of Section 4(1)(c) of the Companies Act, 1956, Zero Octa UK Limited is the subsidiary of the Company.

Note: In translating the financial statement of the subsidiaries, for incorporation in the consolidated financial statement, all assets and liabilities, except fixed assets which are stated at historical cost, are translated at the Transaction rate; Income and expense items are translated at transaction rates for the year and all resulting exchange differences are given prescribed accounting treatment in accounts.

While making the above statement following foreign currency rates as on June 30, 2014 have been applied:

1 USD= 60.02 in case of Kale Softech, Inc.

1 GBP=102.21 in case of Kale Revenue Assurance Services Limited and Zero Octa UK Limited.

For and on behalf of Board of Directors

Ninad Umranikar
Company Secretary

Vipul Jain
Managing Director

Philippe Lesueur
Chairman

Gurudas Shenoy
Chief Financial Officer

Thane
6 August 2014

Shareholder Information

1. Annual General Meeting

Date and Time	-	Thursday, 25 th September, 2014 at 12.00 noon
Venue	-	Pudumjee Assembly Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune – 411 002
Book Closure Dates	-	Saturday, 13 th September, 2014 to Thursday, 25 th September, 2014 (both days inclusive)
Purpose	-	Dividend and Annual General Meeting.

2. Registered Office Address

Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune - 411 037

3. Listing Details

No. of securities listed	-	1 to 14926261
Market Lot	-	50 shares for physical mode.

Name, Address & Telephone Nos. of the Stock Exchanges	Scrip Code	Date of Listing	Listing fees For 2013-14
Pune Stock Exchange Limited Shivleela Chambers, 752, Sadashiv Peth, Kumthekar Marg, Pune – 411 030 Tel.: (020) 24485701	16268 – KALCO	November 11, 1999	Paid
BSE Limited Phirozee Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Tel.: (022) 22721233 / 34	532268	November 16, 1999	Paid
National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Tel.: (022) 2659 8100 –14	ACCELYA	December 1, 1999	Paid

4. Share Transfer System

Shares of the Company shall be compulsorily traded in dematerialized form by all investors with effect from 26 June, 2000, vide SEBI circular, as intimated by Pune Stock Exchange Limited. The Share Transfer Committee of the Board usually meets every 15 days to approve physical transfer of shares.

Break up of shareholding in physical and demat mode (As on 30 June, 2014)

Type of Holding	Percentage to Share Capital
Physical	1.20%
Dematerialized	98.80%
Total	100.00%

5. ISIN Numbers

NSDL:

ISIN No.	Description	Type of Shares
INE793A01012	ACCELYA KALE SOLUTIONS LIMITED EQ	Equity Share

CDSL:

ISIN No.
INE793A01012

6. Registrar and Share Transfer Agent (address for correspondence)

Karvy Computershare Private Limited
 Plot No. 17 to 24, Near Image Hospital,
 Vittalrao Nagar, Madhapur,
 Hyderabad – 500 081
 Tel. No. (040) 44655000 / 44655152
 Fax No. (040) 23420814
 Email: einward.ris@karvy.com
 Contact Person: Mr. Mohammed Mohsinuddin

7. Accelya Kale Share Price (NSE) Vs. NSE S&P CNX Nifty Index

Month	Accelya Kale Share Price (Rs.)		NSE S&P CNX Nifty	
	High	Low	High	Low
July, 2013	605.00	447.05	6093.35	5675.75
August, 2013	675.00	522.15	5808.50	5118.85
September, 2013	657.00	551.00	6142.50	5318.90
October, 2013	712.00	551.00	6309.05	5700.95
November, 2013	639.80	555.00	6342.95	5972.45
December, 2013	807.90	541.00	6415.25	6129.95
January, 2014	799.00	704.00	6358.30	6027.25
February, 2014	748.50	601.10	6282.70	5933.30
March, 2014	797.00	651.00	6730.05	6212.25
April, 2014	835.50	740.05	6869.85	6650.40
May, 2014	785.90	583.60	7563.50	6638.55
June, 2014	700.00	606.00	7700.05	7239.50

8. Shareholding Pattern as on 30 June, 2014

Sr. No.	Category	No. of Shares held	Percentage
1	Promoters		
	- Foreign Promoters	11,143,295	74.66
2	Mutual Funds	2,923	0.02
3	Banks and Financial Institutions	8,668	0.06
4	Foreign Institutional Investors	115,745	0.78
5	Corporate Bodies	663,107	4.44
6	Indian Public and Others	2,813,775	18.85
7	NRIs / OCBs / Foreign Nationals	178,724	1.19
8	Trusts	24	0.00
	TOTAL	14,926,261	100.00

9. Distribution of Shareholding as on 30 June, 2014

Shareholding Range	No. of Shareholders	Percentage	Shareholding	Percentage
Up to 500	15,146	94.01	1,280,236	8.58
501 – 1000	506	3.14	395,609	2.65
1001 – 2000	222	1.38	323,089	2.17
2001 – 3000	90	0.56	223,985	1.50
3001 – 4000	35	0.22	120,899	0.81
4001 – 5000	31	0.19	143,848	0.96
5001 – 10000	51	0.32	367,106	2.46
10001 and above	30	0.18	12,071,489	80.87
TOTAL	16,111	100.00	14,926,261	100.00

10. Investor Complaints

During the year, the Company received 173 complaints all of which were resolved during the year and there were no complaints pending at the end of the year.

The Company has received letters from Stock Exchanges confirming NIL complaints pending, the details of which are given below:

Stock Exchange	Date of Letter
Bombay Stock Exchange Limited	8 th October, 2013
National Stock Exchange of India Limited	7 th October, 2013
Bombay Stock Exchange Limited	24 th January, 2014
National Stock Exchange of India Limited	8 th January, 2014
Bombay Stock Exchange Limited	9 th April, 2014
National Stock Exchange of India Limited	4 th April, 2014
Bombay Stock Exchange of India	2 nd July, 2014
National Stock Exchange of India Limited	4 th July, 2014

The Company has set up an Investors' Grievance Committee, which monitors overall investor complaints in co-ordination with Registrar & Share Transfer agent.

11. Financial Calendar

Unaudited / Audited Financial Results	Quarter /Year ended	Month of approval of Financial Results
Unaudited financial results for the quarter ended	September 30, 2014	October / November, 2014
Unaudited financial results for the quarter ended	December 31, 2014	January / February, 2015
Unaudited financial results for the quarter ended	March 31, 2015	April / May, 2015
Audited financial results for the year ended	June 30, 2015	July / August, 2015



ACCELYA KALE SOLUTIONS LIMITED

Regd. Off.: Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune - 411037.
Tel.: +91 20 6608 3777 Fax: +91 20 2423 1639 Email: investors@accelyakale.com Website: www.accelyakale.com
CIN: L74140PN1986PLC041033

NOTICE

NOTICE IS HEREBY GIVEN THAT the twenty eighth Annual General Meeting (AGM) of the members of Accelya Kale Solutions Limited (CIN: L74140PN1986PLC041033) will be held on Thursday, the 25th day of September, 2014 at 12.00 noon at Pudumjee Assembly Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune - 411 002 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Annual Accounts for the year ended 30th June 2014, together with the Reports of the Directors and Auditors thereon.
2. To confirm payment of interim dividend and declare a final dividend on equity shares.
3. To appoint a Director in place of Mr. Philippe Lesueur (DIN 03327819), who retires by rotation and being eligible, offers himself re-appointment.
4. To consider and, if thought fit, to pass with or without modification, 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, M/s. B S R & Co., LLP, Chartered Accountants, (Firm's Registration No. 101248W/W-100022), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirtieth AGM of the Company (subject to ratification of the appointment by the members at every AGM held after this AGM) on such remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. K. K. Nohria (DIN 00060015), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 25th September, 2014 upto 24th September, 2019, not liable to retire by rotation."
6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. Sekhar Natarajan (DIN 01031445), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 25th September, 2014 upto 24th September, 2019, not liable to retire by rotation."
7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. Nani Javeri (DIN 02731854), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 25th September, 2014 upto 24th September, 2019, not liable to retire by rotation."

Annual General Meeting Notice

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Ms. Sangeeta Singh (DIN 06920906), who was appointed as an additional director by the Board of Directors on 18th July, 2014 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to section 160 of the Act from a member signifying his intention to propose Ms. Sangeeta Singh as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company with effect from 25th September, 2014 upto 17th July, 2019, not liable to retire by rotation.”

By the Order of the Board of Directors

Ninad Umranikar
Company Secretary

Place : Thane
Date : 6 August, 2014

NOTES:

1. The statement pursuant to section 102 of the Companies Act, 2013 (“the Act”) in respect of the business under Item Nos. 4 to 8 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreement entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item Nos. 5 to 8 of the Notice, are also annexed. The relevant details of Mr. Philippe Lesueur are contained in the Directors Report.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing proxy, in order to be effective, must be deposited at the Company’s Registered Office, duly completed and signed, not less than 48 hours before the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.
3. The Register of Members and Transfer Books of the Company will be closed from Saturday, the 13th day of September, 2014 to Thursday, the 25th day of September, 2014, both days inclusive) for the purpose of dividend and Annual General Meeting.
4. If the Final Dividend as recommended by the Board of Directors is approved at the AGM, payment of such dividend will be made on 29 and/or 30 September, 2014 as under:
 - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Friday, the 12th day of September, 2014;
 - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Friday, the 12th day of September, 2014.
5. **Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and the Company’s Registrars and Transfer Agents, Karvy Computershare Private Limited (Karvy) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Karvy.**
6. **Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Karvy for assistance in this regard.**

Annual General Meeting Notice

7. Members desiring any information as regards the accounts and operations of the Company are requested to send their queries to the Company, at least 10 days in advance, so as to enable the management to keep the information ready.
8. **Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Karvy. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per section 124 of the Companies Act, 2013 (section 205A of the erstwhile Companies Act, 1956) be transferred to the Investor Education Protection Fund.**
9. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. **To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Karvy / Depositories.**
11. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

A. For members who receive notice of annual general meeting through e-mail:

- i. Use the following URL for e-voting: <https://evoting.karvy.com>
- ii. Enter the login credentials i.e., user id and password mentioned in your email. Your Folio No. /DP ID - Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing USER ID and password for casting your vote.
- iii. After entering the details appropriately click on "LOGIN".
- iv. You will reach the 'password change' menu wherein you are required to mandatorily change your password. The new password should comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.,). The system will prompt you to change your password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT i.e., Accelya Kale Solutions Limited.
- vii. On the voting page, the number of shares (which represents the number of votes) as held by the member will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. **Once you confirm, you will not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.,) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through email info@napco.in They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name_EVENT No."

B. For members who receive the notice of annual general meeting in physical form

- i. Members holding shares either in demat or physical mode who are in receipt of Notice in physical form, may cast their votes using the Ballot Form enclosed to this Notice. Please refer instructions under heading C below for more details.
- ii. Members may alternatively opt for e-voting, for which the USER ID and initial password are provided in the Ballot Form. Please follow steps from Sr. No. (i) to (x) under heading A above to vote through e-voting platform.

C. For members who wish to vote using Ballot Form

Pursuant to clause 35B of the listing agreement, members may fill in the Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutinizer, Mr. Nilesh A. Pradhan, Practicing Company Secretary, at the registered office of the Company, so as to reach by 6.00 p.m. on 18 September, 2014. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

D. Other Instructions

- i. The e-voting period commences on Tuesday, 16 September, 2014 (9.00 a.m. IST) and ends on Thursday, 18th September, 2014 (6.00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on 15th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 15th August, 2014.
- iii. Mr. Nilesh A. Pradhan, Practicing Company Secretary (FCS No. 5445 CP No. 3659), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to investors@accelyakale.com by mentioning their Folio/DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Thursday, 18 September, 2014 (6.00 p.m. IST). Ballot Form received after this date will be treated as invalid. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. **If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.**
- vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.accelyakale.com and on the website of Karvy - www.evoting.karvy.com within two days of the passing of the resolutions at the AGM of the Company on 25 September, 2014 and communicated to the BSE Limited, National Stock Exchange of India Limited and Pune Stock Exchange Limited, where the shares of the Company are listed.

Statement (Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 8 of the accompanying Notice:

Item No. 4

This statement is provided though strictly not required as per section 102 of the Act.

M/s. B S R & Co., LLP, Chartered Accountants, (Firm's Registration No. 101248W), were appointed as the statutory auditors of the Company for financial year 2013-14 at the AGM of the Company held on 26 September, 2013.

As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s. B S R & Co., LLP, Chartered Accountants, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 6 August, 2014, proposed the appointment of M/s. B S R & Co., LLP, Chartered Accountants, as the statutory auditors of the Company for a period of two years to hold office from the conclusion of this AGM till the conclusion of the thirtieth AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) on a remuneration as may be fixed by the Board of Directors of the Company.

The Board recommends the Resolution at Item No. 4 for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, in the resolution set out at Item No. 4, except to the extent of their respective shareholding, if any, in the Company.

Item Nos. 5 to 7

The Company has appointed, pursuant to the provisions of clause 49 of the Listing Agreement, stipulated number of Independent Directors, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came into effect from 1 April, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nomination and Remuneration Committee of the Board has recommended the appointment of these directors as Independent Directors from 25th September, 2014 up to 24th September, 2019.

Mr. K. K. Nohria, Mr. Sekhar Natarajan and Mr. Nani Javeri, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Copy of the draft letter for appointment of each of the above Independent directors setting out the terms and conditions will be available for inspection by members at the registered office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of the Independent Directors to be appointed is given below:

Mr. K. K. Nohria

Mr. Nohria is a fellow of the Institute of Electronic Engineers, UK, Fellow of Indian Society for Value Engineering and Life Fellow of All India Management Association. He graduated in Electrical Engineering and subsequent pursued his studies in Power Engineering and Management at Manchester Technical College, UK. Mr. Nohria has a total experience of more than 5 decades in the industry.

Mr. Nohria is a director on the board of various reputed companies in India. He is member of The Associated Chamber of Commerce and Industry of India and member of All India Management Association. Mr. Nohria is also actively associated with various educational Institutions. He is a trustee of Qimpro Foundation, DL Shah Trust and July Foundation. In recognition of his contribution to industry and profession, he has been honoured with various awards including Golden Key Award for Value Engineering, Qimpro Medal for commitment to quality, Life Time Achievement Award and Best Corporate Manager of the Year Award.

Directorships held in other companies by Mr. K. K. Nohria

Grow Talent Company Ltd.	CoreEI Technologies (India) Pvt. Ltd.
Jollyboard Ltd.	EA Water Pvt. Ltd.
Igarashi Motors Ltd.*	Net Holdings Pvt. Ltd.
CG - PPI Adhesive Products Ltd.	Aventura Components Pvt. Ltd.
Pradeep Metals Ltd.	Igarshi Technologies Private Limited
CTR Manufacturing Industries Ltd.	Healthpoint Services India Pvt. Ltd.
Fontus Water Pvt. Ltd.	Polymermann (Asia) Pvt. Ltd.
Maini Materials Movement Pvt. Ltd.	Geist Research Pvt. Ltd.
Maini Precision Products Pvt. Ltd.	

* Resigned with effect from 30th July, 2014

Mr. Nohria does not hold any shares in the Company.

Mr. Sekhar Natarajan

Mr. Sekhar Natarajan is a well-known industry professional. Known for his integrity and passion for results, Mr. Natarajan has led and built Monsanto India Limited as an organization that is a growth leader in Indian agriculture. He was instrumental in creating and managing a multi organization partnership to give a significant and positive impact to the Ag biotech acceptance and cotton landscape of India. He is a strategic thinker with rich global experience in business development and mergers and acquisitions. He is a great people leader who has developed and nurtured talent for Monsanto and the agriculture sector in India.

Mr. Natarajan is the managing partner at S N Consultants. He also holds the position of Chairman and Director at Monsanto India Ltd. Additionally, he serves as a Director at Maharashtra Hybrid Seed Company Ltd and is also a Member of CII's National Council on Agriculture and National Committee on Biotech.

Directorships held in other companies by Mr. Sekhar Natarajan

Maharashtra Hybrid Seeds Company Limited	Wyeth Limited
Monsanto India Limited	

Mr. Natarajan does not hold any shares in the Company.

Mr. Nani Javeri

Mr. Javeri has extensive experience of 43 years in the financial services industry. He is the former CEO of Bank of Sohar, Oman and Birla Sun Life Insurance. Under his leadership, Birla Sun Life Insurance ("BSLI") emerged as one of the leading private sector life insurance companies in India. Mr. Javeri, prior to BSLI, spent 32 years with Grindlays Bank in various capacities in India, London and Melbourne. He had also been associated with Oman International Bank in Oman and Times Bank Limited in India.

Mr. Javeri is associated with various organizations across different sectors as Director of INARCO Ltd., Ari Consolidated Investments Ltd., Lifestyle International Pvt. Ltd., Union KBC Asset Management Co (P) Ltd., Hannover Re Consulting Services (I) Pvt. Ltd., Voltas Ltd. and Universal Comfort Products Ltd.

Directorships held in other companies by Mr. Nani Javeri

Ari Consolidated Investments Ltd.	Inarco Limited
Voltas Ltd.	Lifestyle International Private Limited
Universal Comfort Products Ltd.	Union KBC Asset Management Co. (P) Ltd.
Hannover Re Consulting Services (I) Pvt. Ltd.	

Mr. Javeri does not hold any shares in the Company.

The Board recommends the Resolutions at Item Nos. 5 to 7 for approval by the Members.

Mr. K. K. Nohria, Mr. Sekhar Natarajan and Mr. Nani Javeri, respectively, are concerned or interested in Resolutions at Item Nos. 5 to 7 of the accompanying Notice relating to their own appointment.

Other than Mr. K. K. Nohria, Mr. Sekhar Natarajan and Mr. Nani Javeri, respectively, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, in the resolution set out at Item Nos. 5 to 7, except to the extent of their respective shareholding, if any, in the Company.

Item No. 8

Ms. Sangeeta Singh, was appointed an Additional Director pursuant to the provisions of section 161 of the Companies Act, 2013 ("the Act"), the rules made thereunder, Schedule IV to the Act, and Article 113 of the Articles of Association of the Company by the Board of Directors with effect from 18th July, 2014. The term of Ms. Sangeeta Singh as an Additional Director expires at the ensuing Annual General Meeting. The Company has received a notice under sub-section (1) of section 160 of the Companies Act, 2013 alongwith a deposit of Rs. 100,000/- (Rupees One Lakh only) from a member of the Company proposing Ms. Sangeeta Singh as a candidate for the office of Independent Director.

In the opinion of the Board, Ms. Singh fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and she is independent of the management.

If the resolution at Item No. 8 of the Notice is passed, Ms. Singh shall hold office as Independent Director of the Company from 25th September, 2014 to 17th July, 2019. Ms. Sangeeta Singh shall not be liable to retire by rotation.

A brief profile of Ms. Sangeeta Singh is given below:

Ms. Sangeeta Singh has work experience of over 33 years primarily in Human Resources but also encompassing employer branding, corporate communications, employee governance, harassment/grievance/redressal and some aspects of operations. Her experience spans professional services firms, financial services, consulting and media sectors. She holds a Master's Degree in Behavioral Psychology from Mumbai University and a certification in Strategic Human Resource Management from Harvard Business School, Boston.

Over her career, Ms. Singh has been associated with many academic institutions' functional forums and leadership development centers. She is an active member and speaker at various HR forums. She has also been associated with various academic institutions collaborating with them on their development needs.

Ms. Singh is currently a member of the Advisory Board of Women in Leadership Forum and a champion of encouraging women to leadership positions in corporate India.

In April 2013 she set up Sanguine Consultants to handle independent consulting assignments specifically in the area of leadership.

In the past she has worked with various organizations like Time and Life Books, Tristar Boyden Consulting, Trikaya Grey Advertising as General Manager (Human Resources), J Walter Thompson India as Vice President and Head of Human Resources, Ambit-RSM as Partner and Head of Human Resources, PwC India as Partner and Head of Human Capital and KPMG as a Partner and Head of Human Resources for all the legal entities for KPMG India. She was the Trustee for the KPMG Foundation in India.

Ms. Sangeeta Singh is not a director in any other company and does not hold any shares in the Company.

The Board recommends the Resolution at Item No. 8 for approval by the Members.

Ms. Sangeeta Singh is concerned or interested in the Resolution of the accompanying Notice relating to her appointment.

Other than Ms. Sangeeta Singh, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, in the resolution set out at Item No. 8, except to the extent of their respective shareholding, if any, in the Company.

By the Order of the Board of Directors

Ninad Umranikar
Company Secretary

Place : Thane

Date : 6 August, 2014



ACCELYA KALE SOLUTIONS LIMITED

Regd. Off.: Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune – 411 037.
Tel.: +91 20 6608 3777 Fax: +91 20 2423 1639 Email: investors@accelyakale.com Website: www.accelyakale.com
CIN: L74140PN1986PLC041033

**Form No. MGT-11
PROXY FORM**

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

Name of the member (s) : _____
Registered address : _____
E-mail Id : _____
Folio No/Client Id : _____
DP ID : _____

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

- 1. Name : _____
Address : _____
E-mail Id : _____
Signature : _____ or failing him
- 2. Name : _____
Address : _____
E-mail Id : _____
Signature : _____ or failing him
- 3. Name : _____
Address : _____
E-mail Id : _____
Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 28th Annual General Meeting of the Company to be held on Thursday, the 25th day of September, 2014 at 12.00 noon at Pudumjee Assembly Hall, Mahratta Chamber of Commerce, Industries & Agriculture, Tilak Road, Pune 411 002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1. Adoption of Financials Statements for the year ended 30th June, 2014 and the Directors’ and Auditors’ Report thereon (Ordinary Resolution)
- 2. Confirmation of payment of interim dividend and declaration of final dividend (Ordinary Resolution)
- 3. Re-appointment of Mr. Philippe Lesueur as Director of the Company, who retires by rotation (Ordinary Resolution)
- 4. Appointment of Auditors (Ordinary Resolution)
- 5. Appointment of Mr. K. K. Nohria as an Independent Director (Ordinary Resolution)
- 6. Appointment of Mr. Sekhar Natarajan as an Independent Director (Ordinary Resolution)
- 7. Appointment of Mr. Nani Javeri as an Independent Director (Ordinary Resolution)
- 8. Appointment of Ms. Sangeeta Singh as an Independent Director (Ordinary Resolution)

Signed this day of 2014

Signature of shareholder : _____

Signature of Proxy holder(s) : _____



Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.



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ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting on Thursday, the 25th day of September, 2014 at 12.00 noon at Pudumjee Assembly Hall, Maharashtra Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune – 411 002.

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

Folio No. : _____

No. of Shares held : _____

Client Id : _____

DP Id : _____

Name of member/proxy
(in BLOCK letters)

Signature of member/proxy

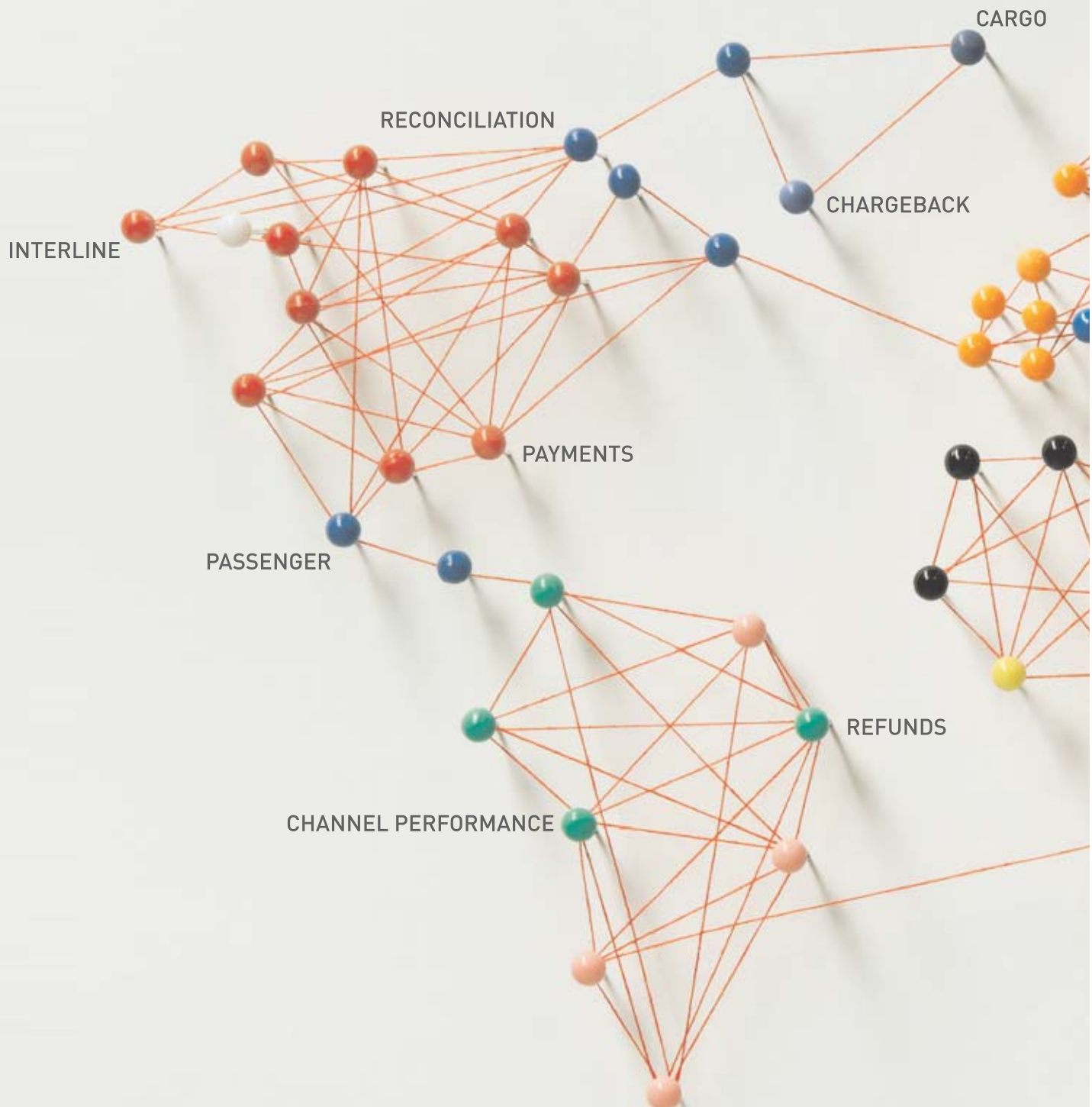
Notes:

1. Please fill up this Attendance Slip and hand it over at the entrance of the meeting hall.



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Complexity Simplified



Regd. Office: Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune 411037, India
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