



ACCELYA

Complexity Simplified

Accelya Kale Solutions Limited

REVENUE ACCOUNTING COST MANAGEMENT
DECISION SUPPORT MISCELLANEOUS BILLING
COST MANAGEMENT PASSENGER CARGO
CARGO AUDIT REVENUE RECOVERY SALES AUDIT INTERLINE
CHANNEL PERFORMANCE SALES PERFORMANCE
FLIGHT PROFITABILITY BUDGETING & FORECASTING
ROUTE PROFITABILITY CARGO AUDIT
REVENUE RECOVERY COST MANAGEMENT
BUDGETING & FORECASTING AIRMAIL
CONTRACT MANAGEMENT INTERLINE CARGO INTERLINE
REVENUE RECOVERY SALES PERFORMANCE
CARGO AUDIT FLIGHT PROFITABILITY
REVENUE ACCOUNTING SALES AUDIT
REVENUE RECOVERY COST MANAGEMENT
ROUTE PROFITABILITY REVENUE RECOVERY INTERLINE PASSENGER

29th Annual Report 2014-15

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,
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Pune

AG-4 and AG-5,
Ground Floor, Sharada Arcade,
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Tel:+ 91-20-6608 3777
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Goa

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Nucleus,
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Tel:+ 91-832-651 1526

INTERNATIONAL OFFICES

USA

2035 Lincoln Highway, Suite 1190
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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
Neela Bhattacharjee (*)	Director

(*) Appointed as an Additional Director on 5th August, 2015)

Auditor

B S R & Co., LLP
Chartered Accountants

Company Secretary

Ninad Umranikar

Bankers

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

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

Registrar and Share Transfer Agent

M/s. Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda Hyderabad - 500 032
Phone : +91 - 40 - 67162222
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Toll Free No.: 1800-345-4001

Letter to Shareholders 2

Financials Highlights 3

Directors' Report 4

Management Discussion and Analysis 37

Auditor's Report 42

Financial Statements 46

Consolidated Financial Statements 76

Salient Features of Subsidiaries 109

Shareholder Information 110

AGM Notice 113



Dear Shareholders,

Our Financial Results: 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.

After neutralizing the one-time revenue impact in FY14, our performance in FY15 has been steady and in line with our expectations. Total revenues for FY15 stood at Rs. 3,085.36 million and net profit after tax was at Rs. 673.97 million. The Company consolidated its position by adding new business from global airlines like Vueling, Hawaiian Airlines and Air Namibia.

Accelya Kale continued the practice of rewarding its shareholders, with dividends. This year, the total dividend is Rs. 36 per share, including Rs. 25 per share recommended as final dividend.

Innovation: Last year, we started the journey of entering a new market segment for our solutions – that of Low Cost Carriers (LCC). I am pleased to share that we now have Vueling and GoAir, two well-known low cost carriers as our customers for REVERA and have established a value proposition for these airlines.

Managing cost is priority for airlines. We see good opportunity for Finesse suite of solutions which include FinesseCost™- Cost Management and FinesseFPS™- Flight Profitability solution.

With growing demand for analytics and business intelligence, we are investing in Revenue Analytics. We have also seen excellent traction for our Agent Incentive Solution – IncentivePro™. This solution addresses an underserved area for airlines and will help them manage their channel better.

Accolades: I am also delighted to share that Accelya Group was voted as 'Readers Choice Company 2015' by Air Transport News Awards. Accelya got maximum votes across all categories by airline professionals to win this award. Accelya Group also featured amongst 'IAOP 2015 Global Outsourcing 100® List'. These accolades are testament to the value delivered by our Group to our customers and the airline industry.

Passing on the baton: Finally, as I step down from my current role as Managing Director & CEO of Accelya Kale, I would like to thank you for all the support you have extended to me over nearly last three decades. We started Kale Consultants in 1986 with a vision of being a world class product company. Today, Accelya Kale is a global leader in financial solutions for the airline industry. With over 60 airlines customers globally, we can take pride that the - "Made in India" label is known across the globe. We have established that creating IPR is not only possible, but can lead to huge shareholder value creation. We have also built a team of very capable, knowledgeable and motivated people with passion for excellence and innovation.

Ms. Neela Bhattacharjee, Executive Vice President who has been my colleague with Accelya Kale for past 15 years will take over as the Managing Director. I am confident that Neela brings the vision and capability we need to take Accelya Kale to greater heights. I would like you to join me in wishing her the very best in her new role.

Yours truly,

Vipul Jain
CEO & Managing Director

(Amount in ₹ Million)

Financial Year	2014-15	2013-14	2012-13	2011-12	2010-11*
INCOME STATEMENT					
Operating Revenue	2,722.76	2,832.06	2,623.84	1,814.06	1,702.74
Operating EBITDA	1,159.71	1,410.68	1,158.32	537.03	372.23
Profit Before Tax	1,114.74	1,284.93	1,044.72	466.28	135.00
Profit After Tax	757.15	873.27	712.44	314.15	133.26
BALANCE SHEET					
Net Worth	945.59	803.18	762.93	1,059.37	1,297.60
Borrowings	-	-	0.04	0.68	4.30
Net Fixed Assets	290.94	329.62	345.61	287.60	186.73
Cash and Cash Equivalents	52.53	98.58	182.16	200.74	262.29
Current Assets	986.08	951.30	1,085.33	832.37	859.76
Current Liabilities	864.36	964.68	1,103.03	512.68	250.93
Capital Employed	945.59	803.18	762.97	1,060.05	1,301.90
FINANCIAL INDICATORS					
Operating EBITDA Margin	43%	50%	44%	30%	22%
Current Ratio	1.14	0.99	0.98	1.62	3.43
Price Earning Ratio					
Net Worth per share (₹)	63.35	53.81	51.11	67.88	84.85
Dividend per share (₹)	36.00	49.00	70.00	23.50	2.00
Market Price per share	999.50	680.45	454.40	122.10	82.10
Basic Earnings per share (₹)	50.73	58.51	47.73	20.13	8.71

(*) Pertains to 15 months period.

To,

The Members,

Your Directors are pleased to present the Twenty Ninth report on the business and operations of the Company for the year ended June 30, 2015.

Financial Results (Standalone)		Rs. in Million	
Particulars	2014-15	2013-14	
Total Revenue			
- Revenue from Services	2,722.76	2,832.06	
- Other Income	148.63	193.49	
Total	2,871.39	3,025.55	
Total Expenditure	1,848.87	1,740.62	
Profit before Tax and Exceptional Items	1,022.52	1,284.93	
Exceptional Items	92.22	-	
Profit Before Tax and After Exceptional Items	1,114.74	1,284.93	
Provision for Tax			
- Current Tax	333.18	387.93	
Deferred Tax Charge			
- Current Tax	24.41	23.73	
Profit After Tax	757.15	873.27	
Profit brought forward from previous year	88.24	137.58	
Profit available for appropriation	845.39	1,010.85	
Appropriations:			
- Transferred to General Reserves	-	89.59	
- Depreciation impact due to change in useful life as per schedule II of Companies Act, 2013	1.02	-	
- Deferred tax on depreciation due to change in useful life as per schedule II of Companies Act, 2013	(0.35)	-	
- Interim Dividend	164.19	403.00	
- Proposed Dividend	373.16	328.38	
- Dividend Distribution Tax	92.40	124.30	
- Dividend Distribution Tax Credit	(15.68)	(22.66)	
- Balance Carried Forward to Balance Sheet	230.65	88.24	

Dividend

The Company had declared and paid an interim dividend of Rs.11 per equity share during the year.

Your Directors are pleased to recommend a final dividend of Rs.25 per equity share for the financial year ended 30 June, 2015.

Operating Results

During the year under review, your Company's total revenues have marginally reduced by 5.10% from Rs.3,025.55 million to Rs.2,871.39 million. The total expenditure for the year has increased to Rs.1,848.87 million from Rs.1,740.62 million, an increase of 6.22%.

The Company has posted profit before tax & after exceptional items of Rs.1,114.74 million as against Rs.1,284.93 for the previous year, a decline of Rs.170.19 million.

The profit after tax for the year 2014-15 stood at Rs.757.15 million which was lower by 13.30% compared to Rs.873.27 million for the previous year.

Business Operations

During the year, the Company added many leading global airlines to its customer list. Some of these included:

- Vueling, the leading airline at Barcelona-El Prat Airport, selected REVERA® to support its evolving business. With this deal, REVERA® has demonstrated that apart from large full service carriers it is also well equipped to serve low cost carriers. REVERA® now serves two low cost airlines adopting hybrid model – Vueling and GoAir.
- Hawaiian Airlines selected REVERA® CRA Cargo Revenue Accounting solutions. With this Accelya Kale will address both Passenger and Cargo Revenue Accounting needs of Hawaiian Airlines.
- Air Namibia selected Accelya Kale's cost management (FinesseCost™) & flight profitability solutions (FinesseFPS™).

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

- The Company launched FinesseFPS™ to provide airlines with accurate and timely information about flight profitability.
- To help airlines achieve agent satisfaction with accurate and timely incentives payout, the Company launched IncentivePro™.
- With growing demand for analytics and business intelligence, Accelya Kale is investing in Revenue Analytics solutions and sees this as a high potential opportunity.

Accelya Group was conferred with some prestigious industry accolades during the year. The Group was acknowledged as 'Readers Choice Company 2015' by Air Transport News Awards for getting maximum votes across all categories by airline professionals and also featured amongst 'IAOP 2015 Global Outsourcing 100® List'. Accelya Kale MD & CEO Mr. Vipul Jain received the 'Asia Pacific Entrepreneurship Award'

for creating a leading software product company in Accelya Kale and his passionate contribution to social sector. These accolades are testament to the value delivered by the Group to its customers and the airline industry.

Subsidiaries

During the year, with a view to simplify the entity structure in the United Kingdom (UK), Kale Assurance Services Limited (KRAS), the wholly owned subsidiary of the Company in UK, has been voluntarily liquidated. The liquidation has not resulted in any write off of the investment made by the Company in KRAS.

Post liquidation, Zero Octa UK Limited which was the wholly owned subsidiary of KRAS has become direct subsidiary of Accelya Kale.

Pursuant to the provisions of section 129(3) of the Companies Act, 2013 ("the Act"), a statement containing salient features of financial statements of Kale Softech Inc. and Zero Octa UK Limited, in Form AOC-1 is attached to the financial statements.

The Company does not have any subsidiary in India.

The financial statements of the subsidiary companies shall 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.

Board of Directors

Four meetings of the Board of Directors were held during the year, the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

The Independent Directors of your Company have given the declaration of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149 (6) of the Act.

The details of familiarization programme and Annual Board Evaluation process for Directors have been provided under the Corporate Governance Report.

The policy on appointment of directors, key managerial personnel, senior management and other employees and remuneration policy is annexed herewith as Annexure "A".

Philippe Lesueur

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 SLU 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.U.	Kale Softech Inc.
Accelya UK Limited	Zero Octa UK Limited
Accelya France SAS	Accelya Portugal Unipessoal, Ltda.
Accelya America, S.A.	Accelya Holding (Luxembourg) S.A.
Accelya Luxembourg S.A.	

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

Vipul Jain

Mr. Vipul Jain has decided to step down as the Managing Director of the Company with effect from 30th September, 2015. Mr. Jain has served as Managing Director of the Company for more than 20 years and has been instrumental in the impressive growth of the Company over the years. The Board of Directors places on record its appreciation for the valuable services provided by Mr. Vipul Jain over the years.

The Board is extremely thankful to Mr. Jain for conveying his willingness to advise the Company in the capacity of non-executive director. His contribution in that capacity would help the Company immensely.

Mr. Jain has given a notice pursuant to section 160 of the Act, signifying his intention to propose his candidature as Non-Executive Non-Independent Director of Accelya Kale Solutions Limited in the ensuing Annual General Meeting of the Company. The Board recommends to the members, the passing of the resolution set in the Notice of the Annual General Meeting for appointment of Mr. Vipul Jain as Non-Executive Non-Independent Director.

Neela Bhattacharjee

Neela Bhattacharjee has been with Accelya Kale for the past 15 years and has been responsible for product strategy, sales and customer relationships.

Under Neela's leadership, the company strengthened its product portfolio and increased revenues from existing and new airline customers. She was instrumental in setting up Accelya Kale's UK operations for European Sales and Support. She also spearheaded the acquisition of Speedwing, a division of British Airways, and Zero Octa.

Neela has not only been instrumental in developing Accelya Kale's business but also shaping the culture of the organization.

Prior to her current assignment at Accelya, Neela was Director and CEO of Softcell Consultants Pvt. Ltd. Neela had also worked at A. F. Ferguson Management Consultants.

Neela holds a degree in Maths and in Computer Science.

Ms. Neela Bhattacharjee was appointed as an additional director by the Board of Directors on 5th August, 2015. The term of Ms. Bhattacharjee as an additional director expires at the forthcoming AGM.

It is proposed to appoint Ms. Bhattacharjee as Managing Director. Ms. Neela Bhattacharjee is very capable and competent in handling the affairs of the Company. The Board is confident that under the able leadership of Ms. Neela Bhattacharjee as Managing Director, the Company will scale new heights.

Particulars of Loans, Guarantees or Investments

The Company has not given any loans or guarantees covered under the provisions of the Act.

Information regarding investments covered under the provisions of section 186 of the Act is detailed in the financial statements.

Directors' Responsibility Statement

Your Directors state that:

- a. in the preparation of the annual accounts for the year ended 30th June, 2015, the applicable accounting standards have been followed and there are no material departures from the same;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th June, 2015 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis;
- e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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 stock 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.

Disclosures with respect to the remuneration of Directors and employees as required under section 197 of the Act and Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as Annexure "B".

Details of employee remuneration as required under provisions of section 197 of the Act and Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours before 21 days of the Annual General Meeting and shall be made available to any shareholder on request.

Policies

During the year, your Company formulated Policy on Related Party Transactions, CSR Policy and Whistle Blower Policy in terms of the legal requirements. These policies are available on the website of the Company at <http://www.accelyakale.com/investor-relations/policies/>

Related Party Transactions

All contracts / transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

No material Related Party Transactions, i.e. transaction or transactions with a related party exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC 2 is not applicable.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions for transactions which are of repetitive nature and entered in the ordinary course of business and are at arm's length. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Act and Listing Agreement.

Corporate Social Responsibility (CSR)

In accordance with the requirements of section 135 of the Act, your Company has constituted a Corporate Social Responsibility Committee. The composition and terms of reference of the Corporate Social Responsibility Committee is provided in the Corporate Governance Report.

Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure "C".

Vigil Mechanism

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide a framework to promote responsible and secure whistle blowing process. It protects employees wishing to raise a concern about serious irregularities within the Company or its employees. Protected disclosures can be made by a whistle blower through an email or by a phone call to the Ombudsperson appointed under the Policy.

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees. During the year, one complaint with allegations of sexual harassment was filed with the Company and the same was investigated and resolved.

Risk Management

Pursuant to the requirement of clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a robust Risk Management framework to identify, evaluate and mitigate risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The risk framework defines the risk management approach across the enterprise at various levels.

Auditors

Statutory Auditors

B S R & Co. LLP were appointed as Statutory Auditors of your Company at the last Annual General Meeting held on 25th September, 2014 for a term of two years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has

been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed S. Anantha & Co., Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure D".

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as Annexure "E".

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.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are annexed hereto as Annexure "F".

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
DIN : 03327819

Vipul Jain
Managing Director
DIN : 00142518

Place : Mumbai
Date : 5 August, 2015

Annexure 'A'

PART A

Policy on Appointment of Directors, Key Managerial Personnel, Senior Management & Other Employees and Remuneration Policy

1. Term of Appointment of Directors

A. Maximum Tenure of Independent Directors

- i) An independent director shall hold office for a term up to five consecutive years on the Board of the Company and shall be eligible for reappointment for another term of up to five consecutive years on passing of a special resolution by the Company.

Provided that a person who has already served as an independent director for five years or more in the Company as on 1st October, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence mentioned in (5) below.

- ii) An independent director who completes his above mentioned term shall be eligible for appointment as independent director in the Company only after the expiration of three years of ceasing to be an independent director in the Company.

B. Term of Other Directors

Not less than two-thirds of the total number of directors of the Company shall be persons whose period of office is liable to determination by retirement of directors by rotation and be appointed by the Company in general meeting.

For the purpose of determining directors liable to retire by rotation, "total number of directors" shall not include independent directors on the Board of the Company.

2. Appointment of Key Managerial Personnel and Persons in Senior Management

The Committee shall appoint Key Managerial Personnel and persons in Senior Management and shall approve the terms and conditions of their appointment including their remuneration. The Committee shall strive to appoint a person best suited for the job in terms of talent, qualification and experience required for the position.

Senior Management shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Board of Directors and includes functional heads.

3. Criteria for Determining Qualifications of Directors

For a person to qualify as a director he shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, human resource, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

4. Positive Attributes

a) Integrity

A director, Key Managerial Personnel and a person in Senior Management shall be a person of integrity and shall uphold highest standards of probity.

b) Commitment

A director, Key Managerial Personnel and a person in Senior Management shall devote sufficient time and attention to his professional obligations for informed and balanced decision making.

c) Compatibility

A director should be able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.

5. Criteria for Determining Independence of Directors

An independent director shall be a director other than a managing director or a whole-time director or a nominee director —

- (a) who is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) who, neither himself nor any of his relatives —
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company; or
- (f) who possesses the qualifications prescribed in (3) above.

6. Evaluation of Performance of Independent Directors

Every independent director shall self-evaluate his performance and shall submit a report on his self-evaluation to the Chairman of the Company.

The Chairman shall review the performance of the independent director and provide feedback as appropriate.

PART B

Remuneration Policy

1. Objective

The Nomination and Remuneration Committee of the Board of Directors (“the Committee”) of Accelya Kale Solutions Limited (the “Company” or “AKSL”) has adopted the following policy and procedures with regard to remuneration to the directors, key managerial personnel and other employees of the Company. The Committee may review and amend this policy from time to time.

In determining the remuneration & compensation, the Company shall take into consideration individual performance of the employee and company performance determined through the process of annual appraisals.

The remuneration and compensation policy of the Company aims to attract, retain and motivate employees.

The remuneration to the managing director, key managerial personnel and senior management involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

This policy is intended to ensure that all necessary approvals are obtained and all reporting requirements are duly complied with in respect of remuneration of directors and key managerial personnel of the Company.

2. Effective Date

This Policy is effective from 1 April 2014.

3. Remuneration

A. Independent Directors

a) Commission

Independent Directors of the Company may be paid such remuneration as the Board of Directors may decide from time to time, subject to the approval of the shareholders of the Company. The independent directors may be paid remuneration by way of commission subject to the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013 ("the Act").

The percentages aforesaid shall be exclusive of any sitting fees payable to independent directors for attending meetings of the Board of Directors or of any committee thereof and re-imbursement of out of pocket expenses incurred by the independent directors.

b) Re-imbursement of out of pocket expenses

The Company may reimburse out-of-pocket expenses incurred by the independent directors for attending the meetings.

c) Sitting Fees

The Board of Directors of the Company may decide from time to time, sitting fees payable to independent directors for attending meetings of the Board or committees thereof.

The sitting fees shall not exceed rupees one hundred thousand (Rs. 100,000) per independent director per meeting of the Board or committee thereof.

The independent directors shall not participate in the meeting on any discussion relating to the remuneration payable to them.

The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

B. Remuneration to Managing Director

The Managing Director shall be paid remuneration in accordance with industry standards.

Based on the industry standards, the Managing Director of the Company may be paid such remuneration as the Board of Directors may decide, from time to time, on the recommendation of the Nomination & Compensation Committee, subject to the approval of the shareholders of the Company.

The Managing Director may be paid remuneration which shall not exceed five percent of the net profits of the Company.

Provided that if, in any financial year, the Company has no profits or its profits are inadequate, the Company may pay to its Managing Director, by way of remuneration any sum in accordance with the provisions of Schedule V to the Act and if it is not able to comply with such provisions, it may pay remuneration to the Managing Director after obtaining previous approval of the Central Government.

C. Remuneration to Key Managerial Personnel and Senior Management

Remuneration and compensation to key managerial personnel and persons in senior management shall be competitive and in accordance with industry benchmarks.

The remuneration and compensation shall involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

D. Remuneration to other employees

In determining the remuneration and compensation to employees other than those mentioned above, the Company shall take into consideration individual performance of the employee and company performance determined through the process of annual appraisals.

4. Disclosures

This policy shall be disclosed in the Board's report.

In addition to the above, the following shall be disclosed in the Board's report:

- i) The ratio of remuneration of each director to the median employee's remuneration.
- ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary, in the financial year;
- iii) The percentage increase in the median remuneration of employees in the financial year;
- iv) The number of permanent employees on the rolls of the Company;
- v) The explanation on the relationship between average increase in remuneration and company performance;
- vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;
- vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;
- viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;
- (ix) Comparison of remuneration of the Key Managerial Personnel against the performance of the Company;
- (x) The key parameters for any variable component of remuneration availed by the directors;
- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and
- (xii) Affirmation that the remuneration is as per the remuneration policy of the Company

Annexure 'B'

Statement of Disclosure of Remuneration under section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2014-15, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2014-15.

Sr.No.	Name of Director/ KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in remuneration
1	Vipul Jain	Managing Director	55:1	8.75%
2	Gurudas Shenoy	Chief Financial Officer	Not Applicable	9.53%
3	Ninad Umranikar	Company Secretary	Not Applicable	12.17%

Note:

The Independent Directors of the Company are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Independent Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.

- ii. The percentage increase in the median remuneration of Employees for the financial year 2014-15 was 9.78%.
- iii. The Company has 1,655 permanent Employees on the rolls of Company as on 30th June, 2015.
- iv. Relationship between average increase in remuneration and Company's performance: The percentage increase for employees was decided having regard to various factors such as company performance, available budget and industry benchmarks.
- v. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: The average increase in the salaries of Key Managerial Personnel was 9.72%. The increase in remuneration of Key Managerial Personnel was based on the recommendations of the Compensation and Remuneration Committee and company performance.
- vi. The Market Capitalisation of the Company as at 30th June, 2015 was Rs. 14.919 billion as compared to Rs. 10.157 billion as at 30th June, 2014. The price earnings ratio of the Company was 19.70 as at 30th June 2015 and was 11.63 as at 30th June, 2014. The closing share price of the Company at NSE on 30th June, 2015 being Rs. 999.50 per equity share of face value of Rs. 10 each, has grown 8.33 times since the last public offer made in the year 1999 (Offer Price was Rs. 120 per equity share of face value of Rs. 10 each).
- vii. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 9.78% whereas the increase in the managerial remuneration was 9.72%.
- viii. The key parameters for any variable component of remuneration availed by the directors: Variable compensation is an integral part of the remuneration of Managing Director. The variable pay is based on the Company performance (revenue and profitability growth) and on key matrices like delivery and productivity.
- ix. The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: Not Applicable
- x. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Annexure 'C'

**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2014-15
[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]**

1. Brief outline of the Company's CSR Policy, including overview of projects/programmes undertaken

Your Company is committed to playing a pivotal role in bringing about positive social change. CSR initiatives are routed through our implementing partner – Catalysts for Social Action (CSA), with a focus on supporting and improving lives of orphaned children living in Child Care Institutions (CCIs) and better rehabilitation outcomes. The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at www.accellyakale.com

Background of CSA

Established in September 2002, CSA is a Not-For-Profit organization dedicated to the cause of child welfare and rehabilitation for children living in orphanages.

CSA works as a “catalyst” focusing on a holistic approach to child care and optimal rehabilitation outcomes. CSA also promotes and facilitates adoptions.

CSA continues to make a valuable difference to 3100+ children across 60+ CCIs in 4 states that they support. Over 240+ adoptions have been successfully facilitated by CSA.

Improving Health and Basic Education efficiency of Children in Orphanages

- I. Project WASH:** Children living in orphanages/CCIs have a right to living in a safe, protected and hygienic environment akin to children residing with their families. However, several times, this may not be the case. CCIs sometimes lack the funds or resources to maintain upkeep or upgrade their facilities that is essential to provide a protected and clean surrounding for children to grow in. The Juvenile Justice (Care and Protection of Children) Act, 2000 stipulates guidelines on the infrastructure facilities that should exist in a CCI depending on the number of children living there.

It is important for adequate infrastructure facilities to be in place so that children can grow in an environment conducive to their healthy and safe growth.

The goal of this project is to provide children in CCIs the access to privacy, safe sanitation and prevention of life threatening diseases.

This project was implemented in the States of Goa, Maharashtra and Odisha.

The following activities were conducted as part of this project:

- **Toilet/Bathroom Construction/Repairs:** 41 Toilets and 34 Bathrooms construction and renovation across 11 CCIs benefitting 760+ children in Odisha, Maharashtra and Goa.
- **Septic tanks:** 2 septic tanks were constructed at CCIs in Goa.
- **Water (storage, filters):** 1 overhead water storage tank and 22 water filters were provided to CCIs in Odisha, Goa and Maharashtra.
- **Hygiene and Sanitation Kits:** 1850 children in 24 CCIs were provided with hygiene kits which included bath and washing soaps, tooth paste and brush.
- **Other Infrastructure Work:** Other infrastructure work like building dormitories, painting, seepage prevention, electrical work, kitchen renovation, playground, library storage space etc. were taken up as part of the project benefitting 2000+ children.
- **Training and Sensitization:** Sensitization and awareness programs on skin care and overall personal hygiene awareness were done for children. Awareness workshops for Government officials were also conducted.

- **Support Expenses (Health and Nutrition):** Health checkups were done for 1850 children which included Dental, Eye, ENT, overall physical examination. Subsequently treatments were done too. Supplementary Nutrition support was provided to some CCIs on need basis. Additionally, various recreational, fun activities and celebration of festivities was undertaken for children.

II. Project Education: A major area of need is better education for children residing in CCIs. While it appears that children in orphanages go to schools and are receiving elementary education, evidence shows that 'learning outcomes' are far from satisfactory. ASER (Annual Status of Education Report) throws light on some grim facts indicating that reading and arithmetic levels are of serious concern. For e.g. more than half the children in Std. V are at least 'three grade levels' behind where they should be.

The objective of this project was to create an Education module to improve basic education and learning abilities for children residing in CCIs.

This project was implemented in the States of Madhya Pradesh and Maharashtra.

The following activities were conducted as part of this project:

- **Module Creation and Implementation:** Various modules and assessments were developed
 - Pre and Post Learning assessments for Language and Mathematics from grades 2nd to 7th
 - Teachers Training sessions by combining new and innovative teaching techniques to make class room learning joyful and fun.
 - Designing Life Skills program centering on focus areas such as Self Awareness, Critical Thinking, Communication and Collaborative Teamwork. Conduct these life skills sessions for children in the age group of 14 to 18 years of age.
 - Design and conduct Life Skills assessments to gauge improvement levels of children in this area.

Following milestones were achieved through the Education project –

- Pre and Post Learning assessments done for 100+ children across 3 CCIs – Most children showed an improvement in their Language skills as compared to Mathematical skills.
 - 2 Teachers Training sessions done across 3 CCIs and 25 teachers were trained and classroom observations were done periodically.
 - 36 days of Life Skills sessions completed and 175+ adolescent children covered.
 - 155 life skills assessments were done – overall children showed some levels of improvements in the areas covered and on the whole their self confidence levels have gone up.
- **Tuition Teacher Expenses:** Tuition Teachers were recruited and trained across 5 CCIs. Teachers have started making use of different teaching methods as observed during classroom observations.

2. Composition of the CSR Committee

Please refer to the Corporate Governance Report for the composition of the CSR Committee.

	(Rs. million)
3. Average Net Profit of the Company for the last 3 financial years	967.79
4. Prescribed CSR expenditure	19.36
5. Details of CSR spent during the financial year 2014-15	
a. Total amount to be spent for the financial year	19.36
b. Total amount spent during the year	19.00
c. Amount unspent	0.36

Manner in which the amount was spent during the financial year 2014-15 is detailed below:

(Rs. Million)

Sl. No.	CSR Projects or activity identified	Sector in which the project is covered (*)	States covered	Amount outlay	Amount spent on Projects	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Project - WASH (Water, Sanitation & Hygiene)	(i)	Maharashtra, Goa and Odisha				CSA
	Toilet/Bathroom Construction/Repair Expenses			3.26	2.68	2.68	
	Construction of Septic Tanks (Including Repairs)			0.15	0.11	0.11	
	Water - Tank/Pump/Filter			0.27	0.24	0.24	
	Hygiene and Sanitation Kits			0.60	0.65	0.65	
	Other infrastructure work at CCI's (including Dormitory construction, painting, repair and maintenance and electrical equipment etc.)			1.95	2.46	2.46	
	Training and Sensitization			0.05	0.05	0.05	
	Support expenses (Health, Nutrition, Vocation, Recreation activities etc.)			1.00	1.11	1.11	
	Program Staff salary and other Expenses			1.45	1.44	1.44	
	Total			8.73	8.74	8.74	
2.	Project - Education	(ii)	Maharashtra, Goa , Odisha and MP				CSA
	Education module creation and implementation (including tuition teachers training and life skills training for older children)			0.52	0.52	0.52	
	Tuition Teacher Honorarium Expenses			0.23	0.24	0.24	
	Program staff salary and other expenses			0.52	0.50	0.50	
	Total			1.27	1.26	1.26	
3.	Corpus Fund to CSA	-		9.00	9.00	9.00	
	Total			19.00	19.00	19.00	

Note (*):

- (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

6. CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board of Directors

Nani Javeri
Chairman of CSR Committee
DIN : 02731854

Vipul Jain
Managing Director
DIN : 00142518

Place : Mumbai
 Date : 5 August, 2015

Annexure 'D'

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2015

To,
The Members
Accelya Kale Solutions Limited
Accelya Enclave, 685 / 2B and 2C,
1st Floor, Sharada Arcade,
Satara Road, Pune - 411037

We have conducted the Secretarial Audit of the Compliance of Applicable Statutory provisions and the adherence to good corporate practices by **Accelya Kale Solutions Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on June 30, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We further report that compliance with applicable laws is the responsibility of the Company and our report constitutes an independent opinion. Our report is neither an assurance for future viability of the Company nor a confirmation of efficient management by the Company.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on June 30, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (The Company has No External Commercial Borrowings);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (**Not Applicable for the year under review**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**Not Applicable for the year under review**) and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable for the year under review**).

vi. Other laws applicable specifically to the Company viz.:

- a) Information Technology Act, 2000 and the rules made thereunder;
- b) Software Technology Parks of India rules and regulations;
- c) The Trade Marks Act, 1999.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (**Not Applicable**); and
- (ii) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

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

The Company has filed E-Forms with the Ministry of Corporate Affairs within prescribed time except for a couple of instances wherein the Company has paid the additional fees and complied with the requirements.

We further report

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by the respective Department Heads / Company Secretary / CEO / KMP, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws viz. labour laws, competition law, environmental laws and all other applicable laws, rules, regulations and guidelines.

We further report that

The Board of Directors of the Company is duly constituted with optimum combination of Executive Directors, Non-Executive Directors and Independent Directors with at least one woman director and not less than fifty percent of the Board of Directors comprising non-executive directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

We further report that during the audit period there were **no events** viz.:

- (i) Public/Right/sweat equity;
- (ii) Redemption / Buy-back of securities;
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc; and
- (v) Foreign technical collaborations.

For **S. Anantha and Co.**,
Company Secretaries

S. Anantha Rama Subramanian
Proprietor
FCS: 4443
CP No.: 1925

Place : Mumbai
Date : 5 August, 2015

Annexure 'E'
FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended 30th June, 2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management and Administration) Rules, 2014

I. Registration and other details

1. CIN	L74140PN1986PLC041033
2. Registration Date	25 September, 1986
3. Name of the Company	Accelya Kale Solutions Limited
4. Category/Sub-category of the Company	Public Company / Subsidiary of Foreign Company limited by shares
5. Address of the Registered office and contact details	Accelya Enclave, 685 / 2B and 2C, 1 st Floor, Sharada Arcade, Satara Road, Pune 411 037 Tel : 020 - 66083777 E-mail : investors@accelyakale.com Website : www.accelyakale.com
6. Whether listed company	Yes
7. Name, Address and contact details of the Registrar and Transfer Agent, if any.	M/s. Karvy Computershare Private Limited, Unit : Accelya Kale Solutions Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad - 500 032 Phone : +91 - 40 - 67162222 Fax : +91 - 40 - 23001153 Toll Free no.: 1800-345-4001 E-mail : einward.ris@karvy.com Website : www.karvy.com

II. Principal Business Activities of the Company (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Name and description of main products / services	NIC Code of the Product/service	% to total turnover of the company
Computer programming, consultancy & related activities	620	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Accelya Holding World S.L.U. Avenida Diagonal, 567, 3 rd Planta, Barcelona 08029, Spain	Not Applicable	Holding	74.66	2(46)
2	Kale Softech Inc. 2035 Lincoln Hwy, Ste 1190, Edison, NJ 08817, USA	Not Applicable	Subsidiary	100	2(87)
3	Zero Octa UK Limited Avenue Court, Victoria Avenue, Camberley, Surrey GU15 3HX, United Kingdom	Not Applicable	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares Held at the Beginning of the Year				No. of Shares Held at the End of the Year				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter and Promoter Group									
Indian									
Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
Central Govt. / State Govt(s)	0	0	0	0	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0	0	0	0	0.00	0.00
Financial Institutions/ Banks	0	0	0	0	0	0	0	0.00	0.00
Others	0	0	0		0	0	0	0.00	0.00
Sub-Total A(1) :	0	0	0	0.00	0	0	0	0.00	0.00
Foreign									
Individuals (NRIs / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	11,143,295	0	11,143,295	74.66	11,143,295	0	11,143,295	74.66	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total A(2)	11,143,295	0	11,143,295	74.66	11,143,295	0	11,143,295	74.66	0.00
Total A = A(1) + A(2)	11,143,295	0	11,143,295	74.66	11,143,295	0	11,143,295	74.66	0.00
Public Shareholding									
Institutions									
Mutual Funds /UTI	2,923	0	2,923	0.02	404,202	0	404,202	2.71	2.69
Financial Institutions /Banks	8,268	400	8,668	0.06	7,808	400	8,208	0.05	-0.01
Central Govt. / State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Institutional Investors	115,695	50	115,745	0.77	560,051	50	560,101	3.75	2.98
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(1)	126,886	450	127,336	0.85	972,061	450	972,511	6.51	5.66
Non-Institutions									
Bodies Corporate	662,807	300	663,107	4.44	501,352	300	501,652	3.36	-1.08
Individuals									
(i) Individuals holding nominal share capital upto Rs.1 lakh	2,184,398	161,266	2,345,664	15.72	1,856,231	156,418	2,012,649	13.48	-2.24
(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	439,459	0	439,459	2.94	119,097	0	119,097	0.80	-2.14
Others									
Foreign Nationals	37,263	7,500	44,763	0.30	11,082	7,500	18,582	0.12	-0.18
Clearing Members	28,652	0	28,652	0.19	8,209	0	8,209	0.05	-0.14
Non Resident Indians	123,939	10,022	133,961	0.90	141,988	8,022	150,010	1.01	0.11
Trusts	24	0	24	0.00	256	0	256	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(2)	3,476,542	179,088	3,655,630	24.49	2,638,215	172,240	2,810,455	18.83	5.66
Total B = B(1) + B(2)	3,603,428	179,538	3,782,966	25.34	3,610,276	172,690	3,782,966	25.34	0.00
Total (A + B)	14,746,723	179,538	14,926,261	100.00	14,753,571	172,690	14,926,261	100.00	0.00
Shares held by custodians, against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A + B + C)	14,746,723	179,538	14,926,261	100.00	14,753,571	172,690	14,926,261	100.00	0.00

B) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Accelya Holding World S.L.U.	11,143,295	74.66	-	11,143,295	74.66	-	-

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No change during the financial year			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc.):	No change during the financial year			
	At the end of the year	No change during the financial year			

D) Shareholding Pattern of top ten Shareholders (Other than Directors and Promoters) :

Sr. No.	Name	Shareholding at the beginning of the year		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding During the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Globe Capital Market Limited	298,000	2.00	30/06/2014			298,000	2.00
				04/07/2014	600	Transfer	298,600	2.00
				11/07/2014	-292,100	Transfer	6,500	0.04
				25/07/2014	500	Transfer	7,000	0.05
				15/08/2014	-1,300	Transfer	5,700	0.04
				06/03/2015	-1,500	Transfer	4,200	0.03
				03/04/2015	278,800	Transfer	283,000	1.90
				10/04/2015	-279,500	Transfer	3,500	0.02
				05/06/2015	-1,048	Transfer	2,452	0.02
				30/06/2015	-2,542	Transfer	0	0.00
30/06/2015			0	0.00				
2	VLS Finance Limited	0	0.00	30/06/2014			0	0.00
				31/03/2015	283,000	Transfer	283,000	1.90
				03/04/2015	-269,100	Transfer	13,900	0.09
				10/04/2015	-13,000	Transfer	900	0.01
				30/06/2015	296,000	Transfer	296,900	1.99
				30/06/2015			296,000	1.99

Sr. No.	Name	Shareholding at the beginning of the year		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding During the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
3	Premier Investment Fund Limited	0	0.00	30/06/2014			0	0.00
				10/10/2014	57,779	Transfer	57,779	0.39
				17/10/2014	22,950	Transfer	80,729	0.54
				31/10/2014	22,586	Transfer	103,315	0.69
				07/11/2014	1,330	Transfer	104,645	0.70
				14/11/2014	16,172	Transfer	120,817	0.81
				28/11/2014	400	Transfer	121,217	0.81
				05/12/2014	6,957	Transfer	128,174	0.86
				12/12/2014	38,493	Transfer	166,667	1.12
				19/12/2014	19,207	Transfer	185,874	1.25
				31/12/2014	16,329	Transfer	202,203	1.35
				09/01/2015	-3,678	Transfer	198,525	1.33
				06/02/2015	22,202	Transfer	220,727	1.48
				20/02/2015	1,497	Transfer	222,224	1.49
				27/02/2015	7,686	Transfer	229,910	1.54
				20/03/2015	-1,318	Transfer	228,592	1.53
				27/03/2015	2,000	Transfer	230,592	1.54
10/04/2015	71	Transfer	230,663	1.55				
01/05/2015	900	Transfer	231,563	1.55				
30/06/2015			231,563	1.55				
4	SBI Magnum Balanced Fund	0	0.00	30/06/2014			0	0.00
				19/09/2014	100,000	Transfer	100,000	0.67
				14/11/2014	3,459	Transfer	103,459	0.69
				21/11/2014	19,836	Transfer	123,295	0.83
				28/11/2014	2,393	Transfer	125,688	0.84
				08/05/2015	61,701	Transfer	187,389	1.26
				30/06/2015	2,611	Transfer	190,000	1.27
				30/06/2015			190,000	1.27
5	Somerset Emerging Markets Small Cap Fund LLC	0	0.00	30/06/2014			0	0.00
				27/03/2015	1,863	Transfer	1,863	0.01
				31/03/2015	1,633	Transfer	3,496	0.02
				10/04/2015	3,900	Transfer	7,396	0.05
				17/04/2015	180	Transfer	7,576	0.05
				24/04/2015	501	Transfer	8,077	0.05
				01/05/2015	6,483	Transfer	14,560	0.10
				08/05/2015	31,966	Transfer	46,526	0.31
				15/05/2015	10,867	Transfer	57,393	0.38
				22/05/2015	5,197	Transfer	62,590	0.42
				29/05/2015	10,820	Transfer	73,410	0.49
				05/06/2015	11,400	Transfer	84,810	0.57
				26/06/2015	918	Transfer	85,728	0.57
30/06/2015	1,503	Transfer	87,231	0.58				
30/06/2015			87,231	0.58				
6	SBI Equity Opportunities Fund Series I	0	0.00	30/06/2014			0	0.00
				10/10/2014	5,438	Transfer	5,438	0.04
				17/10/2014	22,079	Transfer	27,517	0.18
				24/10/2014	18,230	Transfer	45,747	0.31
				09/01/2015	7,389	Transfer	53,136	0.36
				16/01/2015	2,293	Transfer	55,429	0.37
				13/02/2015	30,000	Transfer	85,429	0.57
				30/06/2015			85,429	0.57

Sr. No.	Name	Shareholding at the beginning of the year		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding During the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
7	Sushmita Ashish Kacholia	70,187	0.47	30/06/2014			70,187	0.47
				08/05/2015	-70,187	Transfer	0	0.00
				30/06/2015			0	0.00
8	Kamlesh Navinchandra Shah	66,622	0.45	30/06/2014			66,622	0.45
				12/09/2014	-1,346	Transfer	65,276	0.44
				19/09/2014	-65,276	Transfer	0	0.00
				30/06/2015			0	0.00
9	Rahul Ramkumar Rathi	44,843	0.30	30/06/2014			44,843	0.30
				04/07/2014	-25,863	Transfer	18,980	0.13
				25/07/2014	-1,608	Transfer	17,372	0.12
				01/08/2014	-8,481	Transfer	8,891	0.06
				12/09/2014	-7,268	Transfer	1,623	0.01
				19/09/2014	-1,623	Transfer	0	0.00
				30/06/2015			0	0.00
10	Evoke Management Services LLP	35,000	0.23	30/06/2014			3,500	0.23
				19/09/2014	-35,000	Transfer	0	0.00
				30/06/2015			0	0.00
11	SBI IT Fund	0	0.00	30/06/2014			0	0.00
				19/09/2014	26,000	Transfer	26,000	0.17
				30/09/2014	17,921	Transfer	43,921	0.29
				17/04/2015	-3,000	Transfer	40,921	0.27
				24/04/2015	-3,300	Transfer	37,621	0.25
				15/05/2015	-3,500	Transfer	34,121	0.23
				26/06/2015	-3,250	Transfer	30,871	0.21
30/06/2015			30871	0.21				
12	SBI Equity Opportunities Fund Series II	0	0.00	30/06/2014			0	0.00
				05/12/2014	1,608	Transfer	1,608	0.01
				12/12/2014	17,392	Transfer	19,000	0.13
				19/12/2014	907	Transfer	19,907	0.13
				13/02/2015	8,207	Transfer	28,114	0.19
				20/02/2015	2,163	Transfer	30,277	0.20
30/06/2015			30,277	0.20				
13	Peter O'Sullivan	28,581	0.19	30/06/2014			28,581	0.19
				04/07/2014	-9,670	Transfer	18,911	0.13
				11/07/2014	-6,200	Transfer	12,711	0.09
				18/07/2014	-1,231	Transfer	11,480	0.08
				25/07/2014	-2,498	Transfer	8,982	0.06
				01/08/2014	-3,982	Transfer	5,000	0.03
				30/06/2015			5,000	0.03
14	Valuequest India Moat Fund Limited	27,500	0.18	30/06/2014			27,500	0.18
				11/07/2014	10,700	Transfer	38,200	0.26
				18/07/2014	850	Transfer	39,050	0.26
				06/03/2015	8,635	Transfer	47,685	0.32
				13/03/2015	18,823	Transfer	66,508	0.45
				17/04/2015	1,812	Transfer	68,320	0.46
				24/04/2015	18,254	Transfer	86,574	0.58
				05/06/2015	8,328	Transfer	94,902	0.64
				12/06/2015	9,539	Transfer	104,441	0.70
				19/06/2015	11,487	Transfer	115,928	0.78
				30/06/2015			115,928	0.78

Sr. No.	Name	Shareholding at the beginning of the year		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding During the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
15	Vimal Sagarmal Jain	27,000	0.18	30/06/2014			27,000	0.18
				25/07/2014	-9,000	Transfer	18,000	0.12
				15/08/2014	-6,304	Transfer	11,696	0.08
				19/09/2014	-11,696	Transfer	0	0.00
				30/06/2015			0	0.00
16	Suresh Bhatia	24,970	0.17	30/06/2014			24,970	0.17
				27/02/2015	-24,970	Transfer	0	0.00
				30/06/2015			0	0.00
17	Eicher Goodearth Private Limited	24,511	0.16	30/06/2014			24,511	0.16
				04/07/2014	14,439	Transfer	38,950	0.26
				15/08/2014	7,650	Transfer	46,600	0.31
				30/06/2015			46,600	0.31
18	Hemant Chaudhry	23,359	0.16	30/06/2014			23,359	0.16
				30/09/2014	-359	Transfer	23,000	0.15
				27/02/2015	-174	Transfer	22,826	0.15
				06/03/2015	-876	Transfer	21,950	0.15
				13/03/2015	-726	Transfer	21,224	0.14
				31/03/2015	-200	Transfer	21,024	0.14
				10/04/2015	-1,825	Transfer	19,199	0.13
				17/04/2015	-1,150	Transfer	18,049	0.12
				01/05/2015	-400	Transfer	17,649	0.12
				30/06/2015			17,649	0.12

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	None of the Directors hold shares in the Company			
	Date wise Increase / Decrease in Shareholding of Directors during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	None of the Directors hold shares in the Company			
	At the end of the year	None of the Directors hold shares in the Company			

Sr. No.	Shareholding of Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Gurudas Shenoy – Chief Financial Officer				
	At the beginning of the year	2,165	0.01	2,165	0.01
	Date wise Increase / Decrease in shareholding of KMP during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the end of the year	2,165	0.01	2,165	0.01
2	Ninad Umranikar – Company Secretary				
	At the beginning of the year	7,173	0.05	7,173	0.05
	Sale on 30 September, 2014	2,578	0.02	4,595	0.03
	At the end of the year	4,595	0.01	4,595	0.01

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits Indebtedness	Total
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rs.)

Sr. No.	Particulars of Remuneration	Vipul Jain CEO & MD	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,518,412	18,518,412
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	440,009	440,009
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission- as % of profit- others, specify...	-	-
5	Others, please specify		
	Medical Allowance	858,600	858,600
	Contribution to Provident Fund	1,236,384	1,236,384
	Leave Travel Allowance	160,000	160,000
	Incentive	4,100,000	4,100,000
	Total	25,313,405	25,313,405
	Ceiling as per the Act	53,145,849	53,145,849

B. Remuneration to other directors (Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors					Total
		Sekhar Natarajan	K. K. Nohria	Nani Javeri	Sangeeta Singh	Philippe Lesueur	
		Independent Directors				Non-Executive Director	
1	Fee for attending board and committee meetings	348,000	223,000	385,000	435,000	-	1,391,000
2	Commission	100,000	100,000	100,000	100,000	-	400,000
3	Others, please specify	-	-	-	-	-	-
	Total	448,000	323,000	485,000	535,000	-	1,791,000

C. Remuneration to Key Managerial Personnel Other Than Managing Director / Manager / Whole-time Director

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,678,702	7,429,938	11,108,640
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	40,384	40,384
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-		
	Contribution to Provident Fund	56,700	100,800	157,500
	Leave Travel Allowance	80,000	80,000	160,000
	Total	3,815,402	7,651,122	11,466,524

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board of Directors

Philippe Lesueur
Chairman
DIN: 03327819

Vipul Jain
Managing Director
DIN: 00142518

Place : Mumbai
Date : 5 August, 2015

Annexure 'F'**Conservation of Energy**

The range of activities of your Company requires 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 2014-15 was Rs. 18.64 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
DIN: 03327819

Vipul Jain
Managing Director
DIN: 00142518

Place : Mumbai
Date : 5 August, 2015

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name	Designation	Qualification	Age (Years)	Date of Commencement of employment	Experience (Years)	Gross Remuneration (Rs.)	Last Employment
1	Amit Phadke	Vice President	B.Sc. M.I.M.	38	08/10/2010	17	6,645,535	Bharti Axa Investment Managers Pvt. Ltd.
2	Arun Gala	Senior Vice President	B.Com	47	12/03/2001	30	8,591,804	Tata Share Registry Ltd.
3	Chandrashekhar Karmarkar	Senior Vice President	B.Sc, MCA	55	03/10/1990	33	7,054,497	Chenab Information Technologies
4	Gopal Sheltigar	Senior Vice President	B. Tech, (Electronics), MAM	48	24/05/1999	26	6,779,831	Air India Limited
5	Gurudas Shenoy	Chief Financial Officer	B.Com, MFM	47	17/08/2004	22	7,651,122	Epicenter Technologies Pvt. Ltd.
6	Guy Hescott	Vice President	A Level - Diploma in Computer, O Level - Computer	56	02/04/2001	37	12,216,693	Speedwing International
7	Joshi Anthony	Senior Vice President	M.Sc, PGD in Computer Applications	46	13/05/1969	24	8,943,734	RCG Information Technology
8	Mathew Thomas	Vice President	M.Com, Diploma in Taxation Laws	49	01/09/1989	31	6,838,853	Indian Cable Industries
9	Mitul Mehta	Senior Vice President	B.Com, PGD in Marketing	40	21/09/2010	16	6,396,232	Mastek Limited
10	Neela Bhattacherjee	Executive Vice President	B.Sc (Maths & Computer Science)	55	15/02/2000	27	11,975,062	Soft Cell Consultants Pvt.Ltd.
11	Nitin Patwardhan	Senior Vice President	M.E (Electronics), MIM	49	03/05/2010	26	7,240,343	Mastek Limited
12	Peter O'Sullivan	Senior Vice President	B.Sc	60	26/09/2000	36	15,245,113	Speedwing International
13	Phillip Fernandes	Executive Vice President	B.Sc, UGD Computer Management	49	01/09/1988	28	10,258,171	IDM Ltd.
14	Prakash Sonpatki	Vice President	B.E. (Instrumentation), Diploma in RDBMS	40	01/11/1999	16	6,056,664	-
15	Prameel Savla	Vice President	B.E. (Instrumentation)	41	26/04/2010	18	7,209,390	Travis Internet Pvt. Ltd.
16	Rahul Kulkarni	Senior Vice President	B.Com, M.L.S, LLB	40	08/01/2010	18	7,822,177	Stryker Global Technology Center
17	Rakesh Vartak	Vice President	B.A	45	01/07/2003	28	7,078,110	IBS Software Services Pvt. Ltd
18	Rangan Bhaumik	Vice President	B.Tech (Computer Science)	42	16/11/2000	20	10,264,924	PCL Mindware
19	Ravi Chakravarthy	Senior Vice President	B.Tech	53	23/06/2008	28	9,559,981	Transera Communications Pvt Ltd
20	Robin Paul Chittilapilly	Associate Vice President	B.E (Computer Science)	37	26/12/2000	15	10,264,924	-
21	Salim Nathani	Vice President	B.Com	43	04/09/2008	20	6,349,483	Emirates Airlines
22	Sanjay Tawde	Senior Vice President	B.E (Electrical), MBA (Finance)	41	24/04/2000	18	7,019,617	Ramco Systems
23	Salish Ambe	Executive Vice President	B.Sc (Computer Science)	53	01/07/1983	32	10,589,565	-
24	Shalish Phatak	Vice President	B.E. (Mechanical)	51	01/08/2008	19	6,730,209	Emirates Airlines
25	Vipul Jain	Managing Director & CEO	B.Tech, PGDBM	58	01/04/1980	29	25,313,405	Tata Administrative Services

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, 2015, the Company has six directors, with a non-Executive Chairman and one Managing Director. The remaining four directors are independent directors.

Board Meetings

Four Board Meetings were held during the financial year 2014-15.

Name of Director	Designation	Category	Directorships / Board Committees (Number)		
			Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Philippe Lesueur	Chairman	Non-Executive	9	2	-
Mr. Vipul Jain	Managing Director	Executive (Promoter)	5	1	1
Mr. K. K. Nohria	Director	Independent and Non Executive	17	6	1
Mr. Sekhar Natarajan	Director	Independent and Non Executive	3	3	5
Mr. Nani Javeri	Director	Independent and Non Executive	6	6	6
Ms. Sangeeta Singh	Director	Independent and Non Executive	4	7	4

Dates of Board Meetings

• 6 August, 2014	• 5 November, 2014	• 28 January, 2015	• 29 April, 2015
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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 25 September, 2014
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
Ms. Sangeeta Singh	4	Yes

Familiarisation Programme

The Company presents to the Independent Directors on a quarterly basis, information on business performance, operations, financials, working capital, fund flows, compliances, contribution towards CSR activities etc.

Such presentations provide an opportunity to the Independent Directors to understand the Company's strategy, business model, operations, service and product offerings, markets, organisation structure, finance, human resources etc.

The Independent Directors are given a copy of latest Annual Report, the Code of Conduct for Directors and Senior Management and Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations.

The Company issues Appointment Letters to Independent Directors containing therein, term of appointment, roles, duties and responsibilities, code of conduct, remuneration, performance evaluation process etc.

The Independent Directors are provided updates on changes/developments in the business scenario and changes in statutes/legislations. The Familiarisation programme is available on the website of the Company on the following link: <http://www.accelyakale.com/investor-relations/policies/>

Board Committees

Currently Board has six Committees –

- i) Audit Committee
- ii) Stakeholders Relationship Committee
- iii) Nomination and Remuneration Committee
- iv) Share Transfer Committee
- v) Corporate Social Responsibility Committee
- vi) Risk Management 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

i) Audit Committee

Five meetings of the Committee were held during the financial year 2014-15.

Name of Director	Category	No. of Meetings Attended
Mr. Sekhar Natarajan(*)	Independent Director	5
Mr. K. K. Nohria	Independent Director	3
Mr. Nani Javeri	Independent Director	3
Ms. Sangeeta Singh	Independent Director	5

(*) Chairman of the Committee

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 there on;
 - 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.

ii) Stakeholders Relationship Committee

Four meetings of the Committee were held during the financial year 2014-15.

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	4

(*) Chairman of the Committee

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

iii) Nomination and Remuneration Committee

One meeting of the Committee was held during the financial year 2014-15.

Name of Director	Category	No. of Meetings Attended
Ms. Sangeeta Singh(*)	Independent Director	1
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 appointed as Chairperson of the Committee in place of Mr. Philippe Lesueur on 6 August, 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. 25,313,405 as remuneration during the financial year 2014-15.

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 notice in writing to the Company without any severance fees.

Remuneration to Independent Directors

Commission - Rs. 400,000/-

Sitting Fees - Rs. 1,391,000/-

Commission of Rs. 100,000/- is paid to each 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). During the year, the sitting fees were increased to Rs. 25,000 per meeting 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 stock options during the year.

No. of equity shares held by Non – Executive Directors

As on 30 June, 2015, none of the non-executive directors held any equity share in the Company.

iv) 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

15 meetings of the Committee were held during the financial year 2014-15.

Terms of Reference

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

v) Corporate Social Responsibility Committee

Name of Director	Category	No. of Meetings Attended
Mr. Nani Javeri (*)	Independent Director	3
Mr. Philippe Lesueur	Non-Executive Director	3
Ms. Sangeeta Singh	Independent Director	3
Mr. Vipul Jain	Managing Director	3

(*) Chairman of the Committee

Three meetings of the Committee were held during the financial year 2014-15.

Terms of Reference

- 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;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

vi) Risk Management Committee

Name of Director	Category	No. of Meetings Attended
Mr. Sekhar Natarajan (*)	Independent Director	2
Mr. K. K. Nohria	Independent Director	1
Ms. Nani Javeri	Independent Director	1
Mr. Sangeeta Singh	Independent Director	2

(*) Chairman of the Committee

Two meetings of the Committee were held during the financial year 2014-15.

Terms of Reference

- Annually review and approve the Risk Management Policy and associated frameworks, policies and practices of the Company.
- Evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.
- Access to any internal information necessary to fulfill its oversight role.
- Have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

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.

The Independent Directors met once during the year in compliance with clause 49 II (D)(6) of the listing agreement to discuss.

- the performance of non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Means of communication

Half yearly report sent to each household of Shareholder: No

Quarterly results:

Which newspapers normally published in: Financial Express / Business Standard & 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

Compliance with Governance Framework

The Board of Directors periodically reviews the compliance of applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- **Separate posts of Chairman and CEO:** The positions of the Chairman and the CEO are separate. The Non-Executive Chairman of the Company does not maintain office at the Company's expenses.
- **Shareholders rights:** The quarterly results alongwith the press release are uploaded on the website of the Company.
- **Audit qualifications:** Company's financial statements are unqualified.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

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 2012 Annual General Meeting dated 6 November, 2012 – at Maharashtra 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.

Year 2014 Annual General Meeting dated 25 September, 2014 – at Mahratta Chambers of Commerce, Industries and Agriculture, Pune- 411 002 at 12 noon.

No Special Resolution was passed at the 28 th Annual General Meeting held on 25 September, 2014
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DECLARATION

Pursuant to Clause 49 (II) (E) (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
DIN : 00142518

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 (Formerly known as Kale Consultants Limited) for the financial year ended 30th June, 2015, as stipulated in Revised Clause 49 of the Listing Agreement of the said Company with the BSE Limited and National Stock Exchange of India 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 : 5 August, 2015

Safe Harbor 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

2014 marked the 100th anniversary of commercial flight. The industry served over 65 billion passengers in its first 100 years and is expected to serve same number of passengers in coming 20 years. According to the International Air Transport Association (IATA) the industry outlook is broadly positive. IATA has made following forecasts for airline industry in 2015:

- Airlines are expected to transport around 3.5 billion passengers and 54 million metric tons of cargo.
- The airline industry revenues are forecasted to be \$727 billion with profit of \$29.3 billion. That is a 4% net profit margin. That compares with revenues of \$733 billion, profit of \$16.4 billion and a 2.2% net profit margin in 2014.
- Put another way, airlines are expected to make a profit on average of \$8.3 for every passenger carried in 2015 as compared to \$4.94 in 2014.
- 2015 promises strengthening in airline profitability. Air travel growth continues its solid expansion at or above the 20-year average of 5%. Air cargo is also

experiencing renewed growth after several years of stagnation. Overall the air transport demand picture looks relatively strong.

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

During the year, the Company added many leading global airlines to its customer list. Some of these included:

- Vueling, the leading airline at Barcelona-El Prat Airport, selected REVERA® to support its evolving business. With this deal, REVERA® has demonstrated that apart from large full service carriers it is also well equipped to serve low cost carriers. Revera now serves two low cost airlines adopting hybrid model – Vueling and GoAir.
- Hawaiian Airlines selected REVERA CRA Cargo Revenue Accounting solutions. With this Accelya Kale will address both Passenger and Cargo Revenue Accounting needs of Hawaiian Airlines.
- Air Namibia selected Accelya Kale's cost management (FinesseCost™) & flight profitability solutions (FinesseFPS™).

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

- The Company launched Finesse FPS™ to provide airlines with accurate and timely information about flight profitability.
- To help airlines achieve agent satisfaction with accurate and timely incentives payout, the Company launched IncentivePro™.
- With growing demand for analytics and business intelligence, Accelya Kale is investing in Revenue

Analytics solutions and see this as a high potential opportunity.

Accelya Group was conferred with some prestigious industry accolades during the year. The Group was acknowledged as 'Readers Choice Company 2015' by Air Transport News Awards for getting maximum votes across all categories by airline professionals and also featured amongst 'IAOP 2015 Global Outsourcing 100® List'. Accelya Kale MD & CEO Mr. Vipul Jain received the 'Asia Pacific Entrepreneurship Award' for creating a leading software product company in Accelya Kale and for his passionate contribution to social sector. These accolades 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 and Revenue Recovery, Card Management, Miscellaneous Billing, Cost Management and Business Intelligence.

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.

FinesseFPS™ – Flight Profitability Solution

FinesseFPS™ is a multi-dimensional analytical tool which accurately assigns, measures, and manages each flight costs and revenues to reports flight profitability. It helps airlines in detailed analysis of the impact of each type of cost on the flight profitability.

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 (ADMs) to fund collection. Through proprietary platform, skilled staff and best practices, the Company ensures maximised recovery and minimised errors.

IncentivePro™ Agency Incentives Solution

IncentivePro™ helps airlines achieve agent satisfaction with accurate and timely incentives payout.

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 and 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. 803.18 million to Rs. 945.59 million during the year 2014-15.

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, 2015 amount to Rs. 230.65 million. The Board has recommended a final dividend of Rs. 25 per share for the financial year 2014-2015 at the Board Meeting held on 5th August, 2015. Accordingly, a provision for dividend (including dividend tax) to the tune of Rs. 431.95 million has been made.

As at 30th June, 2015, Accelya Kale's book value per share increased to Rs. 63.35 per share as compared to Rs. 53.81 per share as at 30th June, 2014.

General Reserves Account

During the year, General Reserve stands at Rs. 239.15 million. There is no change to this balance in the current year.

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, as at 30th June, 2015 increase to Rs. 474.15 million compared Rs. 382.11 million as at 30th June, 2014.

Kale Revenue Assurance Services Limited (KRAS) was liquidated during the year ended 30 June 2015. Consequent to this, the shares held by KRAS in its wholly owned

subsidiary Zero Octa UK Limited (ZOUK) have been transferred to the Company at book value. By virtue of the above, ZOUK had become the direct wholly owned subsidiary of the Company.

Fixed Assets

Product Development

During the year product development cost amounting to Rs.28.81million has been capitalised as intangible assets.

Other Fixed Assets

Accelya Kale added Rs. 77.21 million to the gross block comprising of Rs. 57.99 million in Plant and Machinery, Rs.14.29 million in Software and the balance Rs. 4.93 million in other assets.

Sale/Disposal of Assets

During the year Accelya Kale sold/disposed of assets with a Gross Book value of Rs. 40.58 million and a accumulated depreciated of Rs. 40.01 million. The sold assets included old plant & machinery and furniture.

Accelya Kale's Gross Block as at June 30, 2015 stood at Rs. 1,166.14 million as compared to Rs.1,100.71 million as at June 30,2014. The corresponding Net Block as at June 30, 2015 is Rs. 290.54 million as compared to Rs. 319.02 million as at June 30, 2014.

Trades Receivables

Accelya Kale's Net Receivables as at June 30, 2015 amounted to Rs. 309.65 million as compared to Rs. 279.83 million as at June 30, 2014. 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 2015 stands at Rs.11.69 million compared to Rs. 8.93 million as at 30th June, 2014.

Trade receivables as a percentage of total revenue is 10.78% as at 30th June 2015 as against 9.25% as at 30th June, 2014.

Non-current Liabilities

As at 30th June, 2015 Accelya Kale's non-current liabilities amount to Rs. 63.87 million as compared to Rs. 58.95 million as at 30th June, 2014.

Current Liabilities

As at 30th June, 2015 Accelya Kale's current liabilities amount to Rs. 864.36 million as compared to Rs. 964.68 million as at 30th June, 2014.

Result of Operations

Sale of services

For the year ended 30th June, 2015, Accelya Kale recorded operating revenue of Rs. 2,720.48 million.

Operating Profit

Accelya Kale reported profit before exceptional items and tax of Rs. 1,022.52 million for the year ended 30th June, 2015.

Profit after Tax (PAT)

Accelya Kale recorded a PAT of Rs. 757.15 million for the year ended 30th June, 2015.

Dividend

Accelya Kale recommended a final dividend of Rs. 25.00 per share amounting to Rs. 431.94 million (including Dividend Tax Rs. 58.79 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	94.80
Additions	28.81
Deletions/Amortisations (Net)	30.72
Closing Net Block	92.88

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 Company's HR processes such as hiring and on-boarding, fair transparent online performance evaluation, talent management processes, state-of-the-art development processes and market aligned policies enable us to attract and retain the best talent in the country and outside. We are a 1655 strong workforce company spread across various nationalities and geographies. Given below is a snapshot of our Human Capital.

Gender Diversity

Male	Female
63%	37%

Education Qualification and Skills

Post Graduation	Engineering/ Other Graduates	IATA Certified/ Diploma holders	Under-graduates
19.21%	58.25%	21.81%	0.73%

Total Experience

Less than 2 years	2-5 years	5-10 years	More than 10 years
10%	25%	37%	29%

During the year under review, the following Human Resources initiatives received greater focus:

Employee Development

At Accelya we have established a centralized strategic function for driving ongoing development for employees across the Company. This is critical in creating and engaging high performing workforce that drives our competitive advantage. We offer comprehensive developmental offerings ranging from domain, technical, behavioural and leadership development. Development plans are created and executed for each employee based on their skills, roles and aspirations.

This year we offered 226 trainings across domain, technology, soft skills and leadership development. 54% of employees attended at least one or more of these trainings through the year. With the wide variety and scope of development options being offered, employees have many avenues and options to ensure they are on a path of continuous learning and development, sharpening their knowledge and skills so that they can bring the best value to their jobs and to the company.

Besides offering calendarised and special trainings, we have various talent development programs aimed at creating the next level leaders for our business.

- **Accelerate** is a development program to create and develop an internal talent pipeline for future roles as well as rewarding high potentials employees with growth and learning opportunities. Out of the 43 high potential employees nominated to this program this year, 6 completed the rigorous development program and won scholarships and cash prizes.
- **Leadership Excellence And Development (LEAD) Program** was introduced this year with a focus on the leaders in the Associate Vice Presidents and Vice President levels. A comprehensive 360 degree feedback process and coaching was conducted for 50 leaders as well as focused leadership development programs were offered to further strengthen their leadership and business acumen skills.
- **Leadership Development Series (LDS):** A high end leadership development program was offered to the 27 executive leaders and function heads of the

company with a focus on creating competitive leadership advantage. These programs focused on critical skills needed to meet our business objectives and take our business to the next level of success.

Employee Engagement

The Employee welfare and engagement activities saw a lot of strength through the year. Various interesting initiatives were organized with a special focus on employees and their families. Events like Family Day and Accelya Kale Children's Education and Sports Awards were greatly appreciated. Quarterly Rewards and Recognition Program, Annual Excellence Awards etc, saw the best employee performances being recognised and appreciated. This year over 946 employees (57.20%) received awards for their outstanding contributions.

The annual employee engagement survey titled 'YOU' helped us understand the engagement levels of our employees. 80% employees participated in the survey this year which showed an engagement level of 3.00/4.00 across the organisation. The feedback from the survey was analysed in depth to understand engagement trends in the company and various areas of improvements were identified and actioned.

Gender Inclusivity and Women Leadership Development:

AKWN (Accelya Kale Women's Network) 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. Under this forum, various programs such as Accelya Kale Women Self Enhancement Program and Women In Leadership Program were conducted to empower women to reach their fullest potential.

In addition, revisions were made in women friendly policies in order to enable women employees to have flexibility at work and to ensure talented women employees can return to work after a maternity break. For example, Maternity Leave was expanded to allow women employees to avail an extra 180 days of leave (in addition to the existing 84 days of paid leave).

Accolades

During the financial year 2014-15, the Company continued its tradition of winning various awards and getting new recognitions. The Company was a proud recipient of Award for Excellence in HR through Technology in 23rd Global HR Excellence Awards 2015 by World HRD Congress.

Independent Auditor's Report

To the Members of
Accelya Kale Solutions Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Accelya Kale Solutions Limited ("the Company"), which comprise the Balance Sheet as at 30 June 2015 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 30 June 2015;
- (b) in the case of the Statement of Profit and Loss Account, of the profit of the Company 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report 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 aforesaid standalone financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014; and
- e) On the basis of written representations received from the directors of the Company as on 30 June 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 30 June 2015, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations in its financial position in its financial statements – Refer Note 30 to the standalone financial statements;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 40 and 47 to the standalone financial statements; and
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B S R & Co. LLP**

Chartered Accountants

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

Bhavesh Dhupelia

Partner

Membership No: 042070

Place : Mumbai

Date : 5 August, 2015

Annexure to the Independent Auditor's Report - 30th June, 2015

(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. No material discrepancies were noticed on such verification during the year.
- (ii) The company is a service company, primarily rendering IT and IT enabled services. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the order is not applicable.
- (iii) The Company has not granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of paragraph 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard for sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. In our opinion and according to information and explanations given to us, there is no continuing failure to correct major weakness in the internal control system.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax, Sales tax/Value added tax, Wealth tax, Service tax, Customs duty, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. As explained to us, the Company did not have any dues on account of excise duty and 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/Value added tax, Wealth tax, Service tax, Customs duty, Cess, Professional tax and other material statutory dues were in arrears as at 30 June, 2015 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, Value added tax, Service tax, Custom duty and Profession tax, which have not been deposited with the appropriate authorities on account of any dispute except as follows:

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

- (c) According to the records of the Company, there are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers and debenture holders. The Company did not have any dues to financial institution during the year.

- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, the Company did not have any term loans outstanding during the year.
- (xii) 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.

For **B S R & Co. LLP**

Chartered Accountants

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

Place : Mumbai

Date : 5 August, 2015

Bhavesh Dhupelia

Partner

Membership No: 042070

Balance Sheet as at 30 June 2015	Note	30 June 2015 ₹	30 June 2014 ₹
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	149,268,660	149,268,660
Reserves and surplus	4	796,322,667	653,911,405
		945,591,327	803,180,065
Non-current liabilities			
Other long-term liabilities	5	16,044,971	15,849,373
Long-term provisions	6	47,828,633	43,101,993
		63,873,604	58,951,366
Current liabilities			
Trade payables	7	107,562,016	101,067,408
Other current liabilities	8	123,289,130	178,989,561
Short-term provisions	9	633,513,267	684,624,613
		864,364,413	964,681,582
TOTAL		1,873,829,343	1,826,813,013
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	10	173,528,165	196,069,682
Intangible fixed assets	11	117,014,792	122,954,623
Capital work-in-progress	10	181,760	214,426
Intangible assets under development	11	217,957	10,385,462
Non-current investments	12	474,154,544	382,107,645
Deferred tax assets (net)	13	31,635,206	55,693,577
Long-term loans and advances	14	90,537,198	107,472,643
Other non-current assets	15	483,035	613,374
		887,752,657	875,511,432
Current assets			
Current investments	16	373,038,928	341,849,756
Trade receivables	17	309,651,015	279,830,740
Cash and bank balances	18	52,532,156	98,576,371
Short-term loans and advances	19	70,646,449	62,364,531
Other current assets	20	180,208,138	168,680,183
		986,076,686	951,301,581
TOTAL		1,873,829,343	1,826,813,013
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

Place: Mumbai
Date : 5 August, 2015

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

Philippe Lesueur **Vipul Jain**
Chairman Managing Director
DIN: 03327819 DIN: 00142518

Gurudas Shenoy **Ninad Umranikar**
Chief Financial Officer Company Secretary

Place: Mumbai
Date : 5 August, 2015

Statement of Profit and Loss for the year ended 30 June 2015	Note	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
Revenue			
Revenue from software services and products	21	2,722,763,356	2,832,057,440
Other income	22	148,625,692	193,493,920
Total revenue		2,871,389,048	3,025,551,360
Expenses			
Employee benefit expenses	23	1,188,305,572	1,106,967,665
Finance costs	24	4,269,704	4,050,726
Depreciation and amortization expenses	25	132,915,058	121,696,704
Other expenses	26	542,015,288	546,111,243
Less: Product development cost capitalised	27	(18,640,281)	(38,204,398)
Total expenses		1,848,865,341	1,740,621,940
Profit before exceptional and taxation		1,022,523,707	1,284,929,420
Exceptional items income	44	92,218,854	-
Profit before taxation		1,114,742,561	1,284,929,420
Less : Provision for taxation			
Current tax		333,184,913	387,928,280
Deferred tax charge		24,403,793	23,727,590
Profit after taxation		757,153,855	873,273,550
Earnings per equity share (face value of Rs. 10 each)	28		
Basic and diluted		50.73	58.51
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

Place: Mumbai
Date : 5 August, 2015

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

Philippe Lesueur
Chairman
DIN: 03327819

Vipul Jain
Managing Director
DIN: 00142518

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary

Place: Mumbai
Date : 5 August, 2015

Cash flow statement for the year ended 30 June 2015	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
Cash Flows from operating activities		
Net profit before taxation	1,114,742,561	1,284,929,420
Adjustments for:		
Depreciation and amortization expenses	132,915,058	121,696,704
Profit on sale of fixed asset	(337,990)	(539,980)
Provision for doubtful debts	12,950,881	2,211,458
Credit balances written back	(586,018)	(7,453,097)
Unrealised exchange loss	4,945,860	(740,864)
Interest income	(919,594)	(8,703,566)
Interest expense	4,269,704	4,050,726
Mark to market loss on forward contract	(41,317,932)	(55,636,944)
Surplus on liquidation of subsidiary	(92,218,854)	-
Dividend income from mutual fund	(11,790,172)	(22,207,232)
Dividend income from subsidiary	(92,241,850)	(133,335,145)
Operating cash flow before working capital changes	1,030,411,654	1,184,271,480
(Decrease)/Increase in current liabilities and provisions	(140,342,215)	133,846,144
(Increase) in trade receivables	(43,331,679)	(19,042,960)
(Increase) in loans and advances	(4,560,071)	(8,347,296)
(Increase)/Decrease in unbilled revenue	(21,116,966)	41,738,120
Cash generated from operations	821,060,727	1,332,465,488
Taxes paid, net	(285,012,603)	(405,284,860)
Net cash provided by operating activities (A)	536,048,124	927,180,628
Cash flows from investing activities		
Purchase of fixed assets	(87,910,613)	(78,897,861)
Proceeds from sale of fixed assets	902,262	705,564
Interest received	1,114,392	11,746,760
Dividend received from subsidiaries	92,241,850	133,335,145
Dividend received on other investment	11,790,172	22,207,232
Purchase of Investment in a Mutual fund units	(1,894,289,174)	(2,592,207,231)
Sale of Investment in a Mutual fund units	1,863,100,000	2,626,000,000
Investment in bank deposits having maturity more than 3 months	(3,908,614)	(491,865,474)
Deposits matured	33,001,128	598,310,548
Net cash provided by investing activities (B)	16,041,403	229,334,683

Cash flow statement (contd.) for the year ended 30 June 2015	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
Cash flow from financing activities		
Repayment of long term borrowing	-	(44,900)
Dividend paid	(564,671,324)	(1,135,132,849)
Interest paid	(4,269,704)	(4,050,726)
Net cash (used) by financing activities (C)	(568,941,028)	(1,139,228,475)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(16,851,501)	17,286,836
Effect of exchange differences on cash and cash equivalents held in foreign currency	(426,204)	5,571,098
Cash and cash equivalents at the beginning of the year	66,141,664	43,283,730
Cash and cash equivalents on account of liquidation of subsidiary	171,954	-
Cash and cash equivalents at the end of the year	49,035,913	66,141,664
Note to Cash flow statement		
Components of cash and cash equivalents		
Balance with banks		
in current accounts	14,062,526	22,977,620
in EEFC accounts	16,846,166	26,680,542
Unclaimed dividend*	18,127,220	16,483,501
Total cash and cash equivalents	49,035,913	66,141,664

*The company can utilize 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

Place: Mumbai
Date : 5 August, 2015

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

Philippe Lesueur
Chairman
DIN: 03327819

Vipul Jain
Managing Director
DIN: 00142518

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary

Place: Mumbai
Date : 5 August, 2015

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. It’s 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*

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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. The 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 and 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.

Notes to the financial statements

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. Generally 12 months is considered as an operating cycle.

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 and where there is no uncertainty as to measureability or collectability of that amount.

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.

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. The useful life of the assets consider for depreciation is summarized below:

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
Leased assets	To be amortized over the lesser of the period of lease and the useful life of the asset

Notes to the financial statements

For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuer, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

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.

g) *Asset impairment*

In accordance with AS 28-'Impairment of Assets', where there is an indication of impairment of the Company's assets, 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 operations.

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.

Notes to the financial statements

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 contracts are marked 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

Company's contributions during the year to Provident Fund administered by government authority, 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 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.

l) **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 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.

Notes to the financial statements

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.

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.

Notes to the financial statements

	30 June 2015 ₹	30 June 2014 ₹
3 SHARE CAPITAL		
<i>Authorised</i>		
20,200,000 (30 June 2014: 20,200,000) equity shares of ₹ 10 each	202,000,000	202,000,000
<i>Issued, subscribed and paid-up</i>		
14,926,261 (30 June 2014: 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 2015		30 June 2014	
	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. During the year the Company has declared interim dividend and proposed final dividend of ₹ 11 and ₹ 25 respectively.

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 2015 ₹	30 June 2014 ₹
Accelya Holding World S.L.U.		
11,143,295 (30 June 2014: 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 2015		30 June 2014	
	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 2015

On 2 May 2012 the Company has bought back 953,826 Equity Shares for a total consideration of ₹ 129,737,172.

4 RESERVES AND SURPLUS

	30 June 2015 ₹	30 June 2014 ₹
Capital redemption reserve		
Balance as at the commencement and end of the year	9,538,260	9,538,260
Securities premium account		
Balance as at the commencement and end of the year	316,984,098	316,984,098
General reserve		
At the commencement of the year	239,151,558	149,558,189
Add : Transfer from statement of Profit and Loss	-	89,593,369
Balance at the end of the year	239,151,558	239,151,558
Balance in the Statement of profit and loss		
At the commencement of the year	88,237,489	137,583,144
Add : Net profit for the year	757,153,855	873,273,550
Less: Appropriations		
Transfer to general reserve	-	89,593,369
Depreciation due to change in useful life as per schedule II of Companies Act,2013 (refer note 43)	1,016,247	-
Deferred tax on depreciation due to change in useful life as per schedule II of Companies Act, 2013 (refer note 43)	(345,422)	-
Interim Dividend (current year amount per share ₹ 11, previous year amount per share ₹ 27)	164,188,871	403,009,047
Dividend distribution tax on Interim equity dividend paid	33,617,130	68,491,388
Dividend distribution tax credit	(15,676,497)	(22,660,138)
Final equity dividend paid (current year amount per share ₹ 25, previous year amount per share ₹ 22)	373,156,525	328,377,742
Dividend distribution tax on final equity dividend paid	58,785,739	55,807,797
Total appropriations	614,742,593	922,619,205
Balance at the end of the year	230,648,750	88,237,489
Total reserve and surplus	796,322,667	653,911,405

5 OTHER LONG-TERM LIABILITIES

	Non current portion		Current portion (Refer note 8)	
	30 June 2015 ₹	30 June 2014 ₹	30 June 2015 ₹	30 June 2014 ₹
Deposit received	1,635,561	1,635,561	-	-
Deferred rent liability	14,409,410	14,213,812	1,183,420	55,778
	16,044,971	15,849,373	1,183,420	55,778

Notes to the financial statements

6 LONG-TERM PROVISIONS

	Non current portion		Current portion (Refer note 9)	
	30 June 2015 ₹	30 June 2014 ₹	30 June 2015 ₹	30 June 2014 ₹
Provision for employee benefit				
- Leave encashment (refer note 34)	47,828,633	43,101,993	16,323,973	15,471,008
	<u>47,828,633</u>	<u>43,101,993</u>	<u>16,323,973</u>	<u>15,471,008</u>

7 TRADE PAYABLES

	30 June 2015 ₹	30 June 2014 ₹
Trade payable for service and goods		
- dues to micro and small enterprises (refer note 38)	-	-
- dues to others	107,562,016	101,067,408
	<u>107,562,016</u>	<u>101,067,408</u>

8 OTHER CURRENT LIABILITIES

	30 June 2015 ₹	30 June 2014 ₹
Income received in advance	50,103,467	119,342,564
Creditors for capital goods	36,194,286	28,290,867
Unclaimed dividends	18,127,220	16,483,501
Provident fund contribution payable	5,408,735	4,282,219
Profession tax payable	283,500	266,550
Tax deducted at source payable	10,636,288	9,211,472
Value added tax payable	813,443	695,077
Local body tax payable	538,771	361,533
Deferred rent liability (refer note 5)	1,183,420	55,778
	<u>123,289,130</u>	<u>178,989,561</u>

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

Notes to the financial statements	30 June 2015 ₹	30 June 2014 ₹
9 SHORT-TERM PROVISIONS		
Provision for employee benefit		
- Leave encashment (refer note 6 and 34)	16,323,973	15,471,008
- Gratuity (refer note 34)	12,781,069	7,467,360
Proposed dividend	373,156,525	328,377,742
Tax on proposed dividend	58,785,739	55,807,797
Provision for salaries and incentives	94,070,477	186,783,147
Provision for litigation	1,000,000	1,000,000
Provision for claims	1,069,597	-
Provision for mark to market loss on forward contracts	773,414	42,091,346
Provision for income tax (net of advance tax ₹ 325,892,507, previous year ₹ 452,609,682)	75,552,473	47,626,213
	<u>633,513,267</u>	<u>684,624,613</u>
Movement in provision for litigation		
Balance as at the commencement and end of the year	1,000,000	1,000,000

Provision for litigation represents provision made for probable liabilities/claim arising out of pending disputes/litigation with ex-employee. 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

10 TANGIBLE FIXED ASSETS

	Building	Plant and machinery and Computer equipment	Furniture and fixture	Vehicle	Total
	₹	₹	₹	₹	₹
Gross block (at cost)					
As at 1 July 2013	63,259,128	353,542,947	58,754,438	15,094,242	490,650,755
Additions during the year	-	61,013,146	1,966,338	-	62,979,484
Deletions/disposals	-	16,844,496	365,992	-	17,210,488
As at 30 June 2014	63,259,128	397,711,597	60,354,784	15,094,242	536,419,751
Additions during the year	-	57,991,906	4,926,586	-	62,918,492
Deletions/disposals	-	27,927,311	12,651,127	-	40,578,438
As at 30 June 2015	63,259,128	427,776,192	52,630,243	15,094,242	558,759,805
Depreciation					
As at 1 July 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 June 2014	32,505,184	247,422,166	48,687,896	11,734,822	340,350,068
Charge for the year	2,108,638	75,700,560	4,513,262	1,557,032	83,879,492
Adjustment for Retained earnings (refer note 43)	-	1,016,247	-	-	1,016,247
Deletions/disposals	-	27,403,968	12,610,199	-	40,014,167
As at 30 June 2015	34,613,822	296,735,005	40,590,959	13,291,854	385,231,640
Net block					
As at 30 June 2014	30,753,944	150,289,429	11,666,889	3,359,420	196,069,682
As at 30 June 2015	28,645,306	131,041,187	12,039,284	1,802,388	173,528,165

- a) Note for change in useful life
Pursuant to schedule II of the Companies Act, 2013 being applicable during the year the Company has change useful life of computer equipment, had the company provided for the depericiation on SLM basis using the previously assessed life, the depericiation charge for the year ended 30 June 2015 would have been lower by ₹ 3,277,733.

	Capital work-in-progress
As at 1 July 2013	117,680
Additions	214,426
Assets capitalisation during the year	117,680
As at 30 June 2014	214,426
Additions	186,649
Assets capitalisation during the year	219,315
As at 30 June 2015	181,760

Notes to the financial statements

11 INTANGIBLE FIXED ASSETS

	Internally developed software ₹	Acquired software ₹	Total ₹
Gross block			
As at 1 July 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	<u>328,732,261</u>	<u>235,553,446</u>	<u>564,285,707</u>
Purchase/internal development	28,807,765	14,287,970	43,095,735
Deletions/disposals	-	-	-
As at 30 June 2015	<u>357,540,026</u>	<u>249,841,416</u>	<u>607,381,442</u>
Amortisation			
As at 1 July 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	<u>233,933,819</u>	<u>207,397,265</u>	<u>441,331,084</u>
Charge for the year	30,721,480	18,314,086	49,035,566
Deletions/disposals	-	-	-
As at 30 June 2015	<u>264,655,299</u>	<u>225,711,351</u>	<u>490,366,650</u>
Net Block			
As at 30 June 2014	<u>94,798,442</u>	<u>28,156,181</u>	<u>122,954,623</u>
As at 30 June 2015	<u>92,884,727</u>	<u>24,130,065</u>	<u>117,014,792</u>

**Intangible assets
under development**

As at 1 July 2013	19,286,541
Additions	10,385,462
Assets capitalisation during the year	19,286,541
As at 30 June 2014	<u>10,385,462</u>
Additions	18,583,451
Assets capitalisation during the year	28,750,956
As at 30 June 2015	<u>217,957</u>

Notes to the financial statements	30 June 2015 ₹	30 June 2014 ₹
12 NON-CURRENT INVESTMENTS		
Trade investments (unquoted at cost, unless otherwise stated)		
Investment in equity instruments of subsidiaries		
1,300,000 (30 June 2014: 1,300,000) Class A voting common stock of Kale Softech Inc. of USD 0.01 each fully paid up	57,979,585	57,979,585
4,150,000 (30 June 2014: 4,150,000) equity shares of Kale Revenue Assurance Services Limited of GBP 1.0 each fully paid up (Voluntarily liquidated)	-	324,068,060
111,000 (30 June 2014: NIL) ordinary shares of Zero Octa UK Ltd GBP 0.1 each fully paid up (refer note 44)	416,114,959	-
Investments in Shares of Banks		
Rupee Co-operative Bank Limited		
5,000 equity shares of ₹ 10 each fully paid up (30 June 2014: 5,000 equity shares of ₹ 10 each fully paid up)	50,000	50,000
Saraswat Co-operative Bank Limited		
1,000 equity shares of ₹ 10 each fully paid up (30 June 2014: 1,000 equity shares of ₹ 10 each fully paid up)	10,000	10,000
	<u>474,154,544</u>	<u>382,107,645</u>
13 DEFERRED TAX ASSETS (NET)		
Deferred tax assets:		
Provision for leave encashment	22,373,764	20,281,112
Provision for doubtful debts	4,303,880	2,610,433
Expenses deductible for tax in later years	6,286,613	41,715,818
Deferred tax asset	<u>32,964,257</u>	<u>64,607,363</u>
Less : Deferred tax liability		
Difference between tax and book value of fixed assets	(1,329,051)	(8,913,786)
Deferred tax liability	<u>(1,329,051)</u>	<u>(8,913,786)</u>
Deferred tax assets (Net)	<u>31,635,206</u>	<u>55,693,577</u>

Notes to the financial statements

14 LONG TERM LOANS AND ADVANCES

	Non current portion		Current portion (refer note 19)	
	30 June 2015 ₹	30 June 2014 ₹	30 June 2015 ₹	30 June 2014 ₹
Unsecured, considered good				
Advance recoverable cash or kind	29,960	16,746,652	41,069,286	7,890,668
Advance income-tax (net of provision for tax of ₹ 808,368,514, previous year ₹ 379,553,241)	19,823,378	14,197,885	-	25,871,543
Prepaid expenses	3,689,501	322,916	19,015,297	17,078,371
Lease and other deposits	52,269,383	53,186,895	56,000	56,000
Service tax refund receivable	14,724,976	23,018,295	10,194,358	8,049,933
	90,537,198	107,472,643	70,334,941	58,946,515

15 OTHER NON-CURRENT ASSETS

	30 June 2015 ₹	30 June 2014 ₹
Margin money deposits	412,370	566,420
Interest accrued on bank deposits	70,665	46,954
	483,035	613,374

Margin money deposits

Margin money deposit represent deposit with banks given to various authorities amounting to ₹ 412,370 (30 June 2014: ₹ 566,420) which are due to mature after 12 months of the reporting date.

16 CURRENT INVESTMENT

	30 June 2015 ₹	30 June 2014 ₹
(At lower of cost and fair value)		
Investments in Mutual Fund		
Non Trade (unquoted)		
HDFC		
12,356,246.24 Liquid Fund Dividend Reinvest of ₹ 10.1982 (30 June 2014: 12,616,973.131 Liquid Fund Div Reinvest of ₹ 10.1982) (net asset value of unquoted investment)	126,011,470	128,670,415
ICICI Prudential		
1,091,144.304 Liquid Fund Dividend Reinvest of ₹ 100.0636 (30 June 2014: 915,061,465 Liquid Fund Div Reinvest of ₹ 100.0636) (net asset value of unquoted investment)	109,183,827	91,564,344
Birla Sun Life		
1,375,753.59 Liquid fund Dividend reinvest of ₹ 100.1950 (30 June 2014: 1,213,783.092 Liquid Fund Div Reinvest of ₹ 100.1950) (net asset value of unquoted investment)	137,843,631	121,614,997
	373,038,928	341,849,756
Aggregate amount of unquoted investments	373,038,928	341,849,756

Notes to the financial statements	30 June 2015 ₹	30 June 2014 ₹
17 TRADE RECEIVABLES		
Unsecured		
Receivables for a period exceeding six months from the date they are due for payment		
Considered good	25,159,039	14,682,002
Considered doubtful	11,686,193	8,343,203
Less: Provision for doubtful receivable	(11,686,193)	(8,343,203)
(A)	25,159,039	14,682,002
Other receivables		
Considered good	284,491,976	265,148,738
Considered doubtful	-	586,800
Less: Provision for doubtful receivable	-	(586,800)
(B)	284,491,976	265,148,738
(A+B)	309,651,015	279,830,740
Trade receivables include:		
Due from subsidiaries and group companies in which director and member are interested	28,003,312	41,065,398
18 CASH AND BANK BALANCE		
Cash and cash equivalents		
Balances with bank		
on current accounts	14,062,526	22,977,620
in EEFC accounts	16,846,166	26,680,542
Other bank balances		
Bank deposit maturing within one year from reporting date	-	29,800,000
Margin money deposits	3,496,244	2,634,708
Unclaimed dividend*	18,127,220	16,483,501
	52,532,156	98,576,371
*The Company can utilise this balance only towards settlement of unclaimed dividend		
Margin money deposits		
Margin money deposit represents deposit with banks for issue of bank guarantees to various authorities amounting to ₹ 3,496,244 (30 June 2014: ₹ 2,634,708) which are due to mature within 12 months of the reporting date.		
19 SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good unless otherwise stated		
Loans and advances	311,508	3,418,016
Advances recoverable in cash or kind (refer note 14)	41,069,286	7,890,668
Service tax refund receivable (refer note 14)	10,194,358	8,049,933
Prepaid expenses (refer note 14)	19,015,297	17,078,371
Deposits (refer note 14)	56,000	56,000
Advance income-tax (previous year net of provision for tax of ₹ 73,161,943) (refer note 14)	-	25,871,543
	70,646,449	62,364,531
Loans and advances include:		
Due from subsidiaries and group companies in which director and member are interested	186,115	3,418,016

Notes to the financial statements	30 June 2015 ₹	30 June 2014 ₹
20 OTHER CURRENT ASSETS		
Interest accrued on bank deposits	231,371	449,880
Unbilled revenue (refer note 39)	179,976,767	158,859,801
Deferred expenditure	-	9,370,502
	<u>180,208,138</u>	<u>168,680,183</u>
	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
21 REVENUE FROM SOFTWARE SERVICES AND PRODUCT		
Sale of services	2,720,476,161	2,829,736,419
Other operating revenue		
Reimbursement from clients	2,287,195	2,321,021
	<u>2,722,763,356</u>	<u>2,832,057,440</u>
22 OTHER INCOME		
Interest on bank deposits	919,594	8,703,566
Interest on income tax refunds (refer note 45)	5,995,211	-
Foreign exchange gain (net)	27,503,389	8,382,360
Credit balances written back	586,018	7,453,097
Dividend from subsidiary	92,241,850	133,335,145
Dividend from mutual funds	11,790,172	22,207,232
Profit on sale of asset (net)	337,990	539,980
Miscellaneous income	9,251,468	12,872,540
	<u>148,625,692</u>	<u>193,493,920</u>
23 EMPLOYEE BENEFITS EXPENSE		
Salaries and incentives	1,103,379,378	1,030,748,711
Contribution to provident fund and other funds	33,792,047	30,106,576
Staff welfare expenses	39,582,083	42,464,293
Gratuity (refer note 34)	11,552,064	3,648,085
	<u>1,188,305,572</u>	<u>1,106,967,665</u>
24 FINANCE COSTS		
Bank charges	4,269,704	4,050,726
	<u>4,269,704</u>	<u>4,050,726</u>
25 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of tangible fixed assets	83,879,492	72,698,822
Amortisation of intangible fixed assets	49,035,566	48,997,882
	<u>132,915,058</u>	<u>121,696,704</u>

Notes to the financial statements	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
26 OTHER EXPENSES		
Advertisement and sales promotion	20,499,644	22,174,274
Auditors remuneration (refer note below)	5,068,451	5,041,000
Commission and brokerage	23,962,112	47,743,548
Communication charges	17,479,044	16,713,354
Computer consumables	359,462	183,154
Connectivity charges	10,979,163	8,443,700
Data processing charges	12,051,916	12,982,348
Director's commission	400,000	300,000
Director's sitting and committee fees	1,391,000	408,000
Contribution to corporate social responsibility (refer note 41)	19,000,000	-
Donation	-	2,595,000
Insurance	3,747,582	3,417,502
Legal and professional fees	10,887,954	16,432,545
Management Fees	24,270,351	17,951,347
Membership and subscription	5,811,568	6,956,660
Power, fuel and water charges	29,057,538	31,022,528
Printing and stationery	2,151,917	2,638,196
Provision for doubtful debts, net of bad debt written off	12,950,881	2,211,458
Rates and taxes	14,764,050	2,536,437
Recruitment expenses	2,848,361	1,841,299
Rent (refer note 37)	75,161,267	87,754,978
Repair and maintenance :		
Machinery	6,623,737	5,413,192
Others	17,477,330	20,038,075
Software and maintenance	50,134,416	44,270,493
Technical consultants charges	86,862,129	96,491,007
Travelling and conveyance	62,407,593	66,909,404
Miscellaneous expenses	25,667,822	23,641,744
	542,015,288	546,111,243
Auditor's remuneration		
Audit Fees	4,425,000	4,121,000
Other services (tax audit, certification and others)	475,000	725,000
Out-of-pocket expenses	168,451	195,000
	5,068,451	5,041,000

Notes to the financial statements	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
27 PRODUCT DEVELOPMENT COST CAPITALISED		
Payroll cost	15,397,354	28,149,570
Technical consultants charges	2,994,558	9,496,184
Other direct cost	248,369	558,644
	18,640,281	38,204,398
28 EARNING PER EQUITY SHARE (EPS)		
Number of shares (face value ₹ 10 each)	14,926,261	14,926,261
Profit after tax	757,153,855	873,273,550
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	50.73	58.51
Diluted earnings per share	50.73	58.51
29 CAPITAL AND OTHER COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	508,995	2,571,995
30 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 (appeal filed). Claim against Company not acknowledge as debt.	14,724,976	11,217,500
The Company has reviewed all its pending litigation and proceedings and has adequately provided where provision are required. The Company has disclosed contingent liabilities wherever applicable. The resolution of these legal proceedings is not likely to have a material and adverse effect on the results of operations or the financial position of the Company.		
31 EARNINGS IN FOREIGN CURRENCY		
Revenue from sale of software and services	2,429,740,525	2,569,697,802
Dividend income	92,241,850	133,334,145
Other operating revenue	2,287,195	2,321,021
	2,524,269,570	2,705,352,968

Notes to the financial statements

Notes to the financial statements	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
32 EXPENDITURE IN FOREIGN CURRENCY		
Consultancy and professional charges	45,915,399	56,938,205
Other expenses	15,470,583	31,724,969
Sale commission	23,942,112	47,743,548
Membership and subscription	21,790,500	4,549,517
Salaries and incentives	34,248,691	29,012,449
Travelling expenses (net)	49,964,865	41,156,485
Management Fees	24,270,351	17,951,347
	215,602,501	229,076,520

33 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

Year of remittance (ending on)	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
Period to which the dividend relates	2013-14 (Final dividend)	2012-13 (Final dividend)
Numbers of non-resident shareholders	19	19
Numbers of equity shares held on which dividend was due	11,187,844	11,250,319
Amount remitted	246,132,568	450,012,760
Period to which the dividend relates	2014-15 (Interim dividend)	2013-14 (Interim dividend)
Numbers of non-resident shareholders	18	19
Numbers of equity shares held on which dividend was due	11,184,344	11,223,125
Amount remitted	123,027,784	303,024,375

Notes to the financial statements

34 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 2015 ₹	Year ended 30 June 2014 ₹
a) Liability recognised in the balance sheet		
i) Present value of obligation		
Opening balance	45,607,120	42,625,324
Current service cost	9,621,587	7,935,770
Interest cost	3,805,370	3,096,480
Actuarial (gain)/loss on obligations	1,919,965	(4,286,119)
Benefits paid	(4,728,566)	(3,764,335)
Closing balance (i)	56,225,476	45,607,120
ii) Fair value of plan assets		
Opening balance	38,139,760	38,032,537
Expected return on plan assets	3,500,519	3,379,684
Employer's contributions	6,238,355	773,512
Actuarial gain/(loss) on plan assets	294,339	(281,638)
Benefits paid	(4,728,566)	(3,764,335)
Closing balance (ii)	43,444,407	38,139,760
Net liability recognised in the balance sheet (i - ii)	12,781,069	7,467,360
b) Expenses recognised in statement of profit and loss		
Current service cost	9,621,587	7,935,770
Interest Cost	3,805,370	3,096,480
Expected return on plan assets	(3,500,519)	(3,379,684)
Net actuarial (gain)/loss recognised during the period	1,625,626	(4,004,481)
Expenses recognised in statement of profit and loss	11,552,064	3,648,085
c) Break up of Plan assets		
LIC of India - Insurer Managed Fund	100.00%	100.00%
d) Principal actuarial assumptions		
Rate of discounting	8.10%	8.80%
Expected return on plan assets	9.00%	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 2015 ₹	Year ended 30 June 2014 ₹
Mortality	Indian Assured Lives Mortality (2006-08) ultimate 58 years	Indian Assured Lives Mortality (2006-08) ultimate 58 years
Normal retirement age		

Experience adjustment	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹	Year ended 30 June 2012 ₹	Year ended 30 June 2011 ₹
Present value of obligation	56,225,476	45,607,120	42,625,324	36,890,044	34,433,315
Plan assets	43,444,407	38,139,760	38,032,777	31,072,000	29,334,934
Surplus (deficit)	(12,781,069)	(7,467,360)	(4,592,547)	(5,818,044)	(5,098,381)
Experience adjustments on plan liabilities (loss)/gain	(121,529)	1,027,170	2,127,217	3,274,195	-
Experience adjustments on plan assets (loss)/gain	(391,576)	(281,638)	780,327	(1,023,876)	-

(Experience adjustment details for the years ended 30 June 2011 have not been disclosed as such information is not available)

The Company estimates that the balance amount to be contributed to the gratuity fund during the financial year 2015-16 will be ₹ 14,274,047.

Leave encashment

The liability towards compensated absences (annual leave) for the year ended 30 June 2015 based on actuarial valuation carried out by using projected accrued benefit method resulted in increase in liability by ₹ 5,579,605 (30 June 2014: ₹ 3,349,060).

	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
Principal actuarial assumptions		
Rate of discounting	8.10%	8.80%
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 58 years	Indian Assured Lives Mortality (2006-08) ultimate 58 years
Normal retirement age		

Provident Fund

The company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to ₹ 28,948,311 (2014: ₹ 25,078,525).

35 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 33 of consolidated financial statements).

Notes to the financial statements

36 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 (refer note 44) Zero Octa UK Limited	100% 100% 100%
Key management personnel	Philippe Lesueur - Chairman Vipul Jain - Managing Director Gurudas Shenoy - Chief Financial Officer Ninad Umranikar - Company Secretary	
Other related party	Catalysts for Social Action	

(B) Transactions with related parties

(Amount Rs.)

Nature of transactions	Year ended	Holding	Fellow Subsidiary	Subsidiaries	Other related party	Key management personnel	Total
Services rendered by the Company	30 June 2015	11,812,952	169,564,999	693,568,878	-	-	874,946,829
	30 June 2014	8,145,272	86,597,081	780,081,473	-	-	874,823,826
Services received by the Company	30 June 2015	-	4,882,003	-	-	-	4,882,003
	30 June 2014	-	2,780,473	-	-	-	2,780,473
Claims raised for expenses	30 June 2015	6,736,376	22,780,324	25,618,035	-	-	55,134,734
	30 June 2014	8,102,875	6,790,588	24,314,973	-	-	39,208,436
Claims received for expenses	30 June 2015	27,829,811	534,074	58,746,797	-	-	87,110,681
	30 June 2014	20,606,127	1,146,231	66,691,890	-	-	88,444,248
Remuneration	30 June 2015	-	-	-	-	36,779,929	36,779,929
	30 June 2014	-	-	-	-	31,818,988	31,818,988
Dividend received	30 June 2015	-	-	92,241,850	-	-	92,241,850
	30 June 2014	-	-	133,334,145	-	-	133,334,145
Dividend paid	30 June 2015	122,576,245	-	-	-	279,796	122,856,041
	30 June 2014	746,600,765	-	-	-	625,646	747,226,411
Contribution to Corporate Social Responsibility	30 June 2015	-	-	-	19,000,000	-	19,000,000
	30 June 2014	-	-	-	-	-	-
Donation paid	30 June 2015	-	-	-	-	-	-
	30 June 2014	-	-	-	2,320,000	-	2,320,000
Credit Balances written back	30 June 2015	-	-	-	-	-	-
	30 June 2014	-	-	4,000,232	-	-	4,000,232
Surplus on liquidation (refer note 44)	30 June 2015	-	-	92,218,854	-	-	92,218,854
	30 June 2014	-	-	-	-	-	-
Balances outstanding							
Payable	30 June 2015	6,533,580	524,316	19,155,280	-	2,150,000	28,363,177
	30 June 2014	3,962,095	2,361,585	16,508,986	-	2,000,000	24,832,666
Receivable	30 June 2015	5,394,308	36,154,011	54,365,057	-	-	95,913,377
	30 June 2014	3,942,760	24,509,507	744,793,178	-	-	773,245,445
Investment in subsidiary	30 June 2015	-	-	474,094,544	-	-	474,094,544
	30 June 2014	-	-	382,047,645	-	-	382,047,645

Notes to the financial statements	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
36 RELATED PARTY TRANSACTIONS (Continued)		
(C) Of the above items, transactions in excess of 10% of the total related party transactions are as under		
Nature of transaction		
Income from Service rendered		
Kale Softech Inc	581,717,845	641,796,171
Zero Octa UK Limited	111,851,033	138,285,302
Accelya World SLU	124,019,982	48,234,337
Accelya Holding World SLU	11,812,952	8,145,272
Accelya France SAS	15,936,629	15,205,962
Accelya UK Ltd	25,772,942	22,738,080
Accelya America, S.A. de C.V.	3,835,445	418,702
Purchase of services		
Accelya World SLU	1,378,194	2,780,473
Accelya UK Ltd	3,503,810	-
Expenses charged to group companies		
Kale Softech Inc	6,807,782	7,203,177
Zero Octa UK Limited	18,810,253	17,111,796
Accelya Holding World SLU	6,736,376	8,102,875
Accelya World SLU	18,959,329	3,580,927
Accelya France SAS	2,052,915	1,182,575
Accelya UK Ltd	1,149,411	1,734,655
Accelya America, S.A. de C.V.	618,669	292,432
Expenses charged by group companies		
Kale Softech Inc	58,746,797	66,502,624
Zero Octa UK Limited	-	189,266
Accelya Holding World SLU	27,829,811	20,606,127
Accelya World SLU	114,342	1,146,231
Accelya UK Ltd	419,731	-
Dividend received		
Kale Softech Inc	25,742,250	28,847,520
Kale Revenue Assurance Services Limited	66,499,600	104,486,625
Dividend paid		
Accelya Holding World SLU	122,576,245	746,600,765
Gurudas Shenoy	71,445	145,055
Ninad Umranikar	208,351	480,591
Salary/remuneration		
Vipul Jain	25,313,405	23,145,306
Gurudas Shenoy	7,651,122	6,108,685
Ninad Umranikar	3,815,402	2,564,997

Notes to the financial statements	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
36 RELATED PARTY TRANSACTIONS (Continued)		
Contribution to Corporate Social Responsibility		
Catalysts for Social Action	19,000,000	-
Donation paid		
Catalysts for Social Action	-	2,320,000
Credit balances written back		
Zero Octa UK Limited	-	4,000,232
Surplus on liquidation (refer note 44)		
Kale Revenue Assurance Services Limited	92,218,854	-
Payables		
Kale Softech Inc	5,114,220	4,713,704
Accelya Holding World SLU	6,533,580	3,962,095
Zero Octa UK Limited	14,041,060	11,795,282
Accelya World SLU	346,813	2,361,585
Vipul Jain	2,150,000	2,000,000
Accelya UK Ltd	177,504	-
Receivables		
Kale Softech Inc	42,448,129	59,502,463
Zero Octa UK Limited	11,916,928	14,990,715
Accelya Holding World SLU	5,394,308	3,942,760
Accelya UK Ltd	6,995,808	2,316,078
Accelya France SAS	4,880,629	3,469,470
Accelya World SLU	23,510,698	18,050,395
Accelya America, S.A. de C.V.	766,877	673,564

37 LEASES

Operating lease

The lease rental for office premises, guest house and godown charged to statement of profit and loss aggregates to ₹ 7,21,86,527 (previous year ₹ 8,58,76,267).

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

	30 June 2015 ₹	30 June 2014 ₹
Not later than one year	67,367,690	74,479,934
Later than one year and not later than five years	173,827,922	192,198,322

Notes to the financial statements

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

The Company has no dues to micro and small enterprises during the years ended June 30, 2015 and June 30, 2014 and as at June 30, 2015 and June 30, 2014

	30 June 2015 ₹	30 June 2014 ₹
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	-	-

39 Unbilled revenue include revenue based on percentage of completion basis ₹ 19,989,099 (previous year ₹ 8,251,980)

40 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 2015		30 June 2014	
		Foreign currency	₹	Foreign currency	₹
Forward exchange contracts (to hedge highly probable exports)	USD	14,200,000	903,972,000	12,550,000	753,251,000
	EUR	2,100,000	149,460,990	2,800,000	229,320,000
	GBP	1,110,000	111,054,723	1,500,000	153,315,000

Notes to the financial statements

40 DERIVATIVE INSTRUMENT (Continued)

II. Unhedged Foreign Currency exposures

Foreign currency	as at 30 June 2015		as at 30 June 2014	
	Foreign currency	₹	Foreign currency	₹
Payable-USD	701,839	44,679,040	627,193	37,644,117
Payable-GBP	7,884	788,806	308	31,511
Payable-Euro	143,038	10,180,285	51,966	4,255,989
Payable-NZD	22,709	978,757	9,081	477,223
Payable-AED	16,622	287,887	-	-
Payable-AUD	12,956	633,354	-	-
Receivables – EURO	554,429	39,458,728	284,148	23,271,713
Receivables – AUD	412,047	20,144,957	505,598	28,586,525
Receivables – GBP	84,720	8,476,205	39,806	4,068,583
Receivables – USD	1,171,803	74,596,955	1,242,198	74,556,751
Receivables – HKD	436,825	3,581,965	327,748	2,536,766
EEFC - USD	11,427	727,429	109,398	6,566,055
EEFC - GBP	28,321	2,833,559	32,044	3,275,195
EEFC - EURO	186,668	13,285,178	205,608	16,839,292

41 As per the Companies Act, 2013, all companies having net worth of ₹ 500 crores or more, or turnover of ₹ 1,000 crores or more or a net profit of ₹ 5 crores or more during any financial year will be required to constitute a Corporate Social Responsibility (CSR) committee of the Board of Directors comprising three or more directors, at least one of whom shall be an independent director. The Company has constituted a committee comprising Mr. Philippe Lesueur, Mr. Vipul Jain, Mr. Nani Javeri and Ms. Sangeeta Singh as its members. The committee is responsible for formulating and monitoring the CSR policy of the Company.

The company has implemented CSR activities through Catalysts for Social Action (CSA) a Not-For-Profit organization dedicated to the cause of child welfare and rehabilitation for children living in orphanages. As per Section 135 of the Companies Act, 2013 the gross amount required to be spent by the Company on CSR activities is ₹ 193.60 lakhs. The total amount spent by the Company through CSA is ₹ 190 lakhs.

Amount ₹ in lakhs

CSR Activities	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	190.00	-	190.00

42 Previous year's figures have been reclassified, regrouped/rearranged wherever considered necessary to conform to the current year's presentation as follows:

Amount ₹

Particulars	Note No.	Amount as per Previous year financials	Revision in the amount for Previous year	Revised amount for Previous year	Remark
Tax expenses		388,995,732	22,660,138	411,655,870	Rearranged
Reserves and Surplus (Appropriations)	4	945,279,343	(22,660,138)	922,619,205	Rearranged
Earning per share (EPS)	28	60.02	(1.51)	58.51	Recalculated

Notes to the financial statements

- 43 Pursuant to the requirement of the Companies Act, 2013 (the "Act") the Company has revised the depreciation rate for end use computer, based on the estimated economic useful life as prescribed by the Schedule II of the Act. Accordingly the Company has adjusted the net residual value as at July 1 2014 aggregating to ₹ 1,016,247 to retained earnings and deferred tax thereon ₹ 345,422.
- 44 Kale Revenue Assurance Services Limited (KRAS), wholly owned subsidiary of the Company in the United Kingdom, was placed under Members Voluntary Liquidation (MVL) with effect from 20 May 2015 vide board resolution passed by the Board of Directors of KRAS on 30th April, 2015. The effective date of liquidation was 20 May 2015 the date on which the shareholders of KRAS passed the resolution for voluntary liquidation. Consequently, all the assets and liabilities of KRAS were transferred to the liquidator approved by the board. The liquidator transferred entire issued capital of ZOUK and other assets and liabilities of the Company, being the owner of KRAS. The liquidator has completed liquidation process and final order is yet to be received from authorities.

EQUITY AND LIABILITIES	As at 20 May 2015 £	As at 20 May 2015 ₹
Total Assets		
- Investments	5,282,581	416,114,959
- Balance with Bank	13,728	1,343,175
Less: Share capital	(4,150,000)	(324,068,060)
Less: Current liabilities	(12,000)	(1,171,220)
Net Surplus	1,134,309	92,218,854

- 45 During the year Company has received Income tax refund for the financial year 2008-09, 2009-10 and 2010-11 amounting to ₹ 31,866,760 out of which Interest on Income tax refund amounting to ₹ 5,995,211 accounted in profit and loss account under other income.
- 46 The Company's management is of the opinion that its international transactions with related parties are at arms length and that the Company is in compliance with the transfer pricing legislation. Based on the above, the Company's management believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of the provision for taxation.
- 47 **LONG-TERM CONTRACTS**
The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.
- 48 Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

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

Place: Mumbai
Date : 5 August, 2015

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

Philippe Lesueur
Chairman
DIN: 03327819

Vipul Jain
Managing Director
DIN: 00142518

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary

Place: Mumbai
Date : 5 August, 2015

Independent Auditors' Report

To the Members of
Accelya Kale Solutions Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Accelya Kale Solutions Limited ('the Holding Company') and its subsidiaries (collectively referred to as 'the Group'), comprising the consolidated balance sheet as at 30 June, 2015, the consolidated statement of profit and loss and the 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

The Holding Company's Board of Directors 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 Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (particularly Accounting Standard 21- Consolidated Financial Statements). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub section (10) of section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2015;
- (ii) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (iii) in the case of the consolidated Cash flow statement, of the cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by sub-section (3) of Section 143 of the Act, we report, to the extent applicable, that:
 - (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors of the Holding Company as on 30 June 2015 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on 30 June 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 30 to the consolidated financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 45 and 46 to the financial statements; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 5th August, 2015

Annexure to the Independent Auditors' Report - 30th June, 2015

As stated in paragraph 1 of our report on 'Other Legal and Regulatory requirements' in our Independent Auditors' Report of even date, the following statement is based on the comments in our Independent Auditors' Report of the Holding Company.

- (i) (a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Holding 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. No material discrepancies were noticed on such verification during the year.
- (ii) The Holding Company is a service company, primarily rendering IT and IT enabled services. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the order is not applicable.
- (iii) The Holding Company has not granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of paragraph 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Holding Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company and the nature of its business with regard to purchase of fixed assets and with regard for sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. In our opinion and according to information and explanations given to us, there is no continuing failure to correct major weakness in the internal control system.
- (v) The Holding Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax, Sales tax/ Value added tax, Wealth tax, Service tax, Customs duty, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. As explained to us, the Holding Company did not have any dues on account of excise duty and 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/ Value added tax, Wealth tax, Service tax, Customs duty, Cess, Professional tax and other material statutory dues were in arrears as at 30 June 2015 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, Value added tax, Service tax, Custom duty and Profession tax, which have not been deposited with the appropriate authorities on account of any dispute except as follows:

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

- (c) According to the records of the Company, there are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

- (viii) The Holding Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Holding Company has not defaulted in repayment of dues to its bankers and debenture holders. The Company did not have any dues to financial institution during the year.
- (x) According to the information and explanations given to us, the Holding Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, the Holding Company did not have any term loans outstanding during the year.
- (xii) According to the information and explanations given to us, no fraud on or by the Holding Company has been noticed or reported during the course of our audit.

For **B S R & Co. LLP**

Chartered Accountants

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

Bhavesh Dhupelia

Partner

Membership No: 042070

Place : Mumbai

Date : 5 August, 2015

Consolidated Balance Sheet as at 30 June 2015	Note	30 June 2015 ₹	30 June 2014 ₹
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	149,268,660	149,268,660
Reserves and surplus	4	<u>1,001,493,882</u>	<u>946,180,183</u>
		1,150,762,542	1,095,448,843
Non-current liabilities			
Other long-term liabilities	5	16,563,487	16,450,080
Long-term provisions	6	<u>47,844,688</u>	<u>45,892,412</u>
		64,408,175	62,342,492
Current liabilities			
Trade payables	7	119,627,800	108,146,065
Other current liabilities	8	104,730,160	171,262,875
Short-term provisions	9	<u>668,781,977</u>	<u>725,073,870</u>
		893,139,937	1,004,482,810
TOTAL		<u>2,108,310,654</u>	<u>2,162,274,145</u>
ASSETS			
Non-current assets			
Goodwill		460,466,915	470,411,319
Fixed assets			
Tangible fixed assets	10	174,184,757	196,816,516
Intangible fixed assets	11	117,014,792	122,954,623
Capital work-in-progress	10	181,760	214,426
Intangible assets under development	11	217,957	10,385,462
Non-current investments	12	60,000	60,000
Deferred tax assets (net)	13	31,635,206	55,693,577
Long-term loans and advances	14	91,350,337	108,239,287
Other non-current assets	15	<u>483,035</u>	<u>613,374</u>
		875,594,759	965,388,584
Current assets			
Current investment	16	373,038,928	341,849,756
Trade receivables	17	371,565,123	381,122,526
Cash and bank balances	18	217,882,477	229,504,364
Short-term loans and advances	19	77,879,217	60,365,845
Other current assets	20	<u>192,350,150</u>	<u>184,043,070</u>
		1,232,715,895	1,196,885,561
TOTAL		<u>2,108,310,654</u>	<u>2,162,274,145</u>
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

Place: Mumbai
Date : 5 August, 2015

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

Philippe Lesueur **Vipul Jain**
Chairman Managing Director
DIN: 03327819 DIN: 00142518

Gurudas Shenoy **Ninad Umranikar**
Chief Financial Officer Company Secretary

Place: Mumbai
Date : 5 August, 2015

Consolidated Statement of Profit & Loss for the year ended 30 June 2015	Note	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
Revenue			
Revenue from operations	21	3,028,236,945	3,167,371,583
Other income	22	57,124,636	47,926,278
Total revenue		3,085,361,581	3,215,297,861
Expenses			
Employee benefits expense	23	1,288,658,608	1,206,580,960
Finance costs	24	4,881,795	4,753,318
Depreciation and amortization expense	25	133,220,806	122,041,314
Other expenses	26	609,858,327	628,616,842
Less: Product development cost capitalised	27	(18,640,281)	(38,204,398)
Total expenses		2,017,979,255	1,923,788,036
Profit before taxation		1,067,382,326	1,291,509,825
Less : Provision for taxation			
Current tax		371,749,364	430,701,794
Deferred tax charge		24,403,793	23,727,590
Mat credit entitlement		(2,741,009)	(2,179,987)
Profit after taxation		673,970,178	839,260,428
Earnings per equity share (face value of ₹ 10 each) .			
Basic and diluted	28	45.15	56.23
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

Place: Mumbai
Date : 5 August, 2015

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

Philippe Lesueur
Chairman
DIN: 03327819

Vipul Jain
Managing Director
DIN: 00142518

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary

Place: Mumbai
Date : 5 August, 2015

Consolidated Cash Flow Statement for the year ended 30 June 2015	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
Cash Flows from operating activities		
Net profit before tax	1,067,382,326	1,291,509,825
Adjustments for:		
Depreciation and amortization	133,220,806	122,041,314
Profit on sale of fixed asset	(337,990)	(543,163)
Provision for doubtful debts	10,679,628	5,570,510
Credit balances written back	(1,743,723)	(3,487,938)
Effect of exchange difference on translation of subsidiaries	6,030,518	16,089,389
Unrealised exchange loss	3,580,825	9,860,588
Interest income	(919,594)	(8,703,655)
Interest expense	4,881,795	4,753,318
Mark to market loss on derivative contract	(41,317,932)	(55,636,944)
Dividend income	(11,790,172)	(22,208,232)
Operating cash flow before working capital changes	1,169,666,487	1,359,245,012
(Decrease)/increase in current liabilities and provisions	(151,304,855)	132,264,279
(Increase) in trade receivables	(1,470,523)	(58,261,940)
(Increase) in loans and advances	(10,677,736)	(705,891)
(Increase)/decrease in unbilled revenue	(17,896,091)	58,089,964
Cash generated from operations	988,317,282	1,490,631,424
Taxes paid, net	(325,471,179)	(450,476,019)
Net cash provided by operating activities (A)	662,846,103	1,040,155,405
Cash flows from investing activities		
Purchase of fixed assets	(88,126,119)	(79,167,332)
Proceeds from sale of fixed assets	902,262	765,570
Interest received	1,114,393	11,746,850
Dividend received	11,790,172	22,208,232
Purchase of investment in a mutual fund	(1,894,289,174)	(2,592,207,231)
Sale of investment in a mutual fund	1,863,100,000	2,626,000,000
Investment in bank deposit having maturity more than 3 month	(4,062,664)	(491,865,474)
Deposit matured	33,001,128	598,310,548
Net cash provided/ (used in) investing activities (B)	(76,570,002)	95,791,163

Consolidated Cash Flow Statement (contd.) for the year ended 30 June 2015	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
Cash flow from financing activities		
Repayment of long term borrowing	-	(44,900)
Dividend paid	(564,671,324)	(1,135,132,849)
Interest paid	(4,881,795)	(4,753,318)
Net cash (used) by financing activities (C)	<u>(569,553,119)</u>	<u>(1,139,931,067)</u>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	16,722,982	(3,984,499)
Effect of exchange differences on cash and cash equivalents held in foreign currency	593,595	(4,764,529)
Cash and cash equivalents at the beginning of the year	197,069,656	205,818,684
Cash and cash equivalents at the end of the year	<u>214,386,233</u>	<u>197,069,656</u>
Note:		
Components of cash and cash equivalents		
Balance with banks		
in current accounts	179,412,847	153,905,613
in EEFC accounts	16,846,166	26,680,542
Unclaimed dividend*	18,127,220	16,483,501
Total cash and cash equivalents	<u>214,386,233</u>	<u>197,069,656</u>

*The company can utilize 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

Place: Mumbai
Date : 5 August, 2015

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

Philippe Lesueur
Chairman
DIN: 03327819

Vipul Jain
Managing Director
DIN: 00142518

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary

Place: Mumbai
Date : 5 August, 2015

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, 2015 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

* **Note:** Kale Revenue Assurance Services Ltd, UK is liquidated with effect from 20 May 2015.

2. Summary of significant accounting policies

a) Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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. The 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.

Notes to the consolidated financial statements

d) *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. Generally twelve months is considered as operating cycle.

e) *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 and where there is no uncertainty as to measureability or collectability of that amount.

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

Notes to the consolidated financial statements

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.

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.

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. The useful life of the assets consider for depreciation is summarized below:

Goodwill	Annual impairment test whenever there is indication that goodwill may be impaired
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
Leased assets	To be amortized over the lesser of the period of lease and the useful life of the asset

For these class of assets, based on internal assessment and independent technical evaluation carried out by external values, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

Notes to the consolidated financial statements

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 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 assets, 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.

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 operations.

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

Notes to the consolidated financial statements

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 Accelya Kale Solutions Limited 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

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.

m) Employee benefits

Defined Contribution Plan

Company's contributions during the year to Provident Fund administered by government authority 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 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 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

Notes to the consolidated financial statements

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.

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 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.

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.

Notes to the consolidated financial statements	30 June 2015 ₹	30 June 2014 ₹
3 SHARE CAPITAL		
<i>Authorised</i>		
20,200,000 (30 June 2014: 20,200,000) equity shares of ₹ 10 each	202,000,000	202,000,000
<i>Issued, subscribed and paid-up</i>		
14,926,261 (30 June 2014: 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 2015		30 June 2014	
	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. During the year the Company has declared interim dividend and proposed final dividend of ₹ 11 and ₹ 25 respectively.

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 2015 ₹	30 June 2014 ₹
Accelya Holding World S.L.U. 11,143,295 (30 June 2014: 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 2015		30 June 2014	
	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 2015

On 2 May 2012, the Company has bought back 953,826 Equity Shares for a total consideration of ₹ 129,737,172.

4 RESERVES AND SURPLUS

	30 June 2015 ₹	30 June 2014 ₹
Capital redemption reserve		
Balance as at the commencement and at the end of the year	<u>9,538,260</u>	<u>9,538,260</u>
Securities premium account		
Balance as at the commencement and at the end of the year	<u>316,984,098</u>	<u>316,984,098</u>
General reserve		
At the commencement of the year	236,953,435	147,360,066
Add : Transfer from statement of profit and loss	-	89,593,369
Balance at the end of the year	<u>236,953,435</u>	<u>236,953,435</u>
Foreign currency translation reserve		
At the commencement of the year	149,716,890	80,055,440
Movement during the year	<u>(3,913,886)</u>	<u>69,661,450</u>
Balance at the end of the year	<u>145,803,004</u>	<u>149,716,890</u>
Balance in the Statement of profit and loss		
At the commencement of the year	232,987,500	316,346,277
Add : Net profit for the year	673,970,178	839,260,428
Less: Appropriations		
Transfer to general reserve	-	89,593,369
Depreciation due to change in useful life as per schedule II of Companies Act, 2013 (refer note 40)	1,016,247	-
Deferred tax on depreciation due to change in useful life as per schedule II of Companies Act, 2013 (refer note 40)	<u>(345,422)</u>	-
Interim Dividend (current year amount per share ₹ 11, 30 June 2014: amount per share ₹ 27)	164,188,871	403,009,047
Dividend distribution tax on Interim equity dividend paid	33,617,130	68,491,388
Dividend distribution tax credit	<u>(15,676,497)</u>	<u>(22,660,138)</u>
Final equity dividend paid (current year amount per share ₹ 25, 30 June 2014: amount per share ₹ 22)	373,156,525	328,377,742
Dividend distribution tax on final equity dividend	<u>58,785,739</u>	<u>55,807,797</u>
Total appropriations	<u>614,742,593</u>	<u>922,619,205</u>
At the end of the year	<u>292,215,085</u>	<u>232,987,500</u>
Total reserve and surplus	<u>1,001,493,882</u>	<u>946,180,183</u>

Notes to the consolidated financial statements

5 OTHER LONG-TERM LIABILITIES

	Non current portion		Current portion (Refer note 8)	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	₹	₹	₹	₹
Deposit received	1,635,561	1,635,561	-	-
Deferred rent liability	14,927,926	14,814,519	1,309,467	195,566
	<u>16,563,487</u>	<u>16,450,080</u>	<u>1,309,467</u>	<u>195,566</u>

6 LONG-TERM PROVISIONS

	Non current portion		Current portion (Refer note 9)	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	₹	₹	₹	₹
Provision for employee benefit				
- Leave encashment (refer note 32)	47,844,688	45,892,412	16,323,973	15,471,008
	<u>47,844,688</u>	<u>45,892,412</u>	<u>16,323,973</u>	<u>15,471,008</u>

7 TRADE PAYABLES

	30 June 2015	30 June 2014
	₹	₹
Trade payable for services and goods		
- dues to micro and small enterprises (refer note 36)	-	-
- dues to others	119,627,800	108,146,065
	<u>119,627,800</u>	<u>108,146,065</u>
Trade payable includes due to group companies	16,218,623	17,872,079

Notes to the consolidated financial statements	30 June 2015 ₹	30 June 2014 ₹
8 OTHER CURRENT LIABILITIES		
Income received in advance	31,537,136	110,843,475
Creditor for capital goods	36,194,286	28,290,867
Deferred rent liability (refer note 5)	1,309,467	195,566
Unclaimed dividends	18,127,220	16,483,501
Provident fund contribution payable	5,408,735	4,282,219
Profession tax payable	283,500	266,550
Tax deducted at source payable	10,953,962	9,541,555
Value added tax payable	-	654,193
Local body tax payable	538,771	361,533
United Kingdom national insurance contribution payable	377,083	343,416
	104,730,160	171,262,875

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

9 SHORT-TERM PROVISIONS

Provision for employee benefit		
- Leave encashment (refer note 6 and 32)	16,323,973	15,471,008
- Gratuity (refer note 32)	12,781,069	7,467,360
Proposed dividend	373,156,525	328,377,742
Tax on proposed dividend	58,785,739	55,807,797
Provision for salaries and incentives	107,668,248	200,895,696
Provision for litigation (Refer note (a) below)	1,000,000	1,000,000
Provision for claims	10,943,205	12,777,461
Provision for mark to market loss on forward contract	773,414	42,091,346
Provision for income tax (net of advance tax ₹ 453,295,540, 30 June 2014: ₹ 544,662,644)	87,349,803	61,185,460
	668,781,977	725,073,870
(a) Movement in provision for litigation		
Balance as at the commencement and end of the year	1,000,000	1,000,000

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

10 TANGIBLE FIXED ASSETS

	Building	Plant and machinery and computer equipment	Furniture and fixture	Vehicle	Lease hold improvement	Total
	₹	₹	₹	₹	₹	₹
Gross block (at cost)						
As at 1 July 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
Additions during the year	-	58,172,476	4,961,990	-	-	63,134,466
Deletions/Disposals	-	27,927,311	12,651,127	-	-	40,578,438
Translation	-	196,392	167,667	-	-	364,059
As at 30 June 2015	63,259,128	409,497,334	54,371,097	15,094,242	21,659,954	563,881,755
Deperciation						
As at 1 July 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
Charge for the year	2,108,638	71,423,194	4,532,641	1,557,032	4,563,735	84,185,240
Deletions/Disposals	-	27,403,968	12,610,199	-	-	40,014,167
Translation	-	207,360	157,166	-	-	364,526
Adjustment for Retained earnings (refer note 40)	-	1,016,247	-	-	-	1,016,247
As at 30 June 2015	34,613,822	284,732,790	42,220,960	13,291,854	14,837,572	389,696,998
Net Block						
As at 30 June 2014	30,753,944	139,565,820	11,751,215	3,359,420	11,386,117	196,816,516
As at 30 June 2015	28,645,306	124,764,544	12,150,137	1,802,388	6,822,382	174,184,757

- a) Note for change in useful life
Pursuant to schedule II of the Companies Act, 2013 being applicable during the year the Company has change useful life of computer equipment, had the company provided for the deperciation on SLM basis using the previously assessed life, the deperciation charge for the year ended 30 June 2015 would have been lower by ₹ 3,277,733.

	Capital work-in-progress
As at 1 July 2013	117,680
Additions	214,426
Assets capitalisation during the year	117,680
As at 30 June 2014	214,426
Additions	186,649
Assets capitalisation during the year	219,315
As at 30 June 2015	181,760

Notes to the consolidated financial statements

11 INTANGIBLE FIXED ASSETS

	Internally developed software ₹	Acquired software ₹	Total ₹
Gross block (at cost)			
As at 1 July 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
Purchase/Internal development	28,807,765	14,287,970	43,095,735
Deletions/Disposals	-	-	-
As at 30 June 2015	357,540,026	249,841,416	607,381,442
Amortisation			
As at 1 July 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
Charge for the year	30,721,480	18,314,086	49,035,566
Deletions/Disposals	-	-	-
As at 30 June 2015	264,655,299	225,711,351	490,366,649
Net Block			
As at 30 June 2014	94,798,442	28,156,181	122,954,623
As at 30 June 2015	92,884,727	24,130,065	117,014,792

 Intangible assets
under development

As at 1 July 2013	19,286,541
Additions	37,879,396
Assets capitalisation during the year	46,780,475
As at 30 June 2014	10,385,462
Additions	18,583,451
Assets capitalisation during the year	28,750,956
As at 30 June 2015	217,957

12 NON-CURRENT INVESTMENTS

	30 June 2015 ₹	30 June 2014 ₹
Trade investments (unquoted at cost, unless otherwise stated)		
Investments in Shares of Banks		
Rupee Co-operative Bank Limited		
5,000 equity shares of ₹ 10 each fully paid up (30 June 2014: 5,000 equity shares of ₹ 10 each fully paid up)	50,000	50,000
Saraswat Co-operative Bank Limited		
1,000 equity shares of ₹ 10 each fully paid up (30 June 2014: 1,000 equity shares of ₹ 10 each fully paid up)	10,000	10,000
	60,000	60,000

Notes to the consolidated financial statements

13 DEFERRED TAX ASSETS (NET)

	30 June 2015 ₹	30 June 2014 ₹
Deferred tax assets:		
Provision for leave encashment	22,373,764	20,281,112
Provision for doubtful debts	4,303,880	2,610,433
Expenses deductible for tax in later years	6,286,613	41,715,818
Deferred tax asset	32,964,257	64,607,363
Less : Deferred tax liability		
Difference between tax and book value of fixed assets	(1,329,051)	(8,913,786)
Deferred tax liability	(1,329,051)	(8,913,786)
Deferred tax asset (Net)	31,635,206	55,693,577

14 LONG TERM LOANS AND ADVANCES

	Non current portion		Current portion (refer note 19)	
	30 June 2015 ₹	30 June 2014 ₹	30 June 2015 ₹	30 June 2014 ₹
Unsecured, considered good				
Advances recoverable in cash or kind	29,960	16,746,652	41,517,196	9,038,095
Advance income-tax (net of provision for tax of ₹ 808,368,514, 30 June 2014: ₹ 118,435,758)	19,823,378	14,197,885	-	25,871,543
Prepaid expenses	3,689,501	322,916	21,058,460	14,517,824
Lease and other deposits	53,082,522	53,953,539	56,000	56,000
Service tax refund receivable	14,724,976	23,018,295	10,194,358	8,049,933
	91,350,337	108,239,287	72,826,014	57,533,395

15 OTHER NON-CURRENT ASSETS

	30 June 2015 ₹	30 June 2014 ₹
Margin money deposits	412,370	566,420
Interest accrued on bank deposits	70,665	46,954
	483,035	613,374

Margin money deposits

Margin money deposits represent deposit with banks given to various authorities amounting to ₹ 412,370 (2014: ₹ 566,420) which are due to mature after 12 months of the reporting date.

Notes to the consolidated financial statements

16 CURRENT INVESTMENTS

	30 June 2015 ₹	30 June 2014 ₹
(At lower of cost and fair value)		
Investments in Mutual Fund		
Non trade (unquoted)		
HDFC		
12,356,246.24 Liquid Fund Dividend Reinvest of ₹ 10.1982 (30 June 2014: 12,616,973.131 Liquid Fund Div Reinvest of ₹ 10.1982) (net asset value of unquoted investment)	126,011,470	128,670,415
ICICI Prudential		
1,091,144.304 Liquid Fund Dividend Reinvest of ₹ 100.0636 (30 June 2014: 915,061,465 Liquid Fund Div Reinvest of ₹ 100.0636) (net asset value of unquoted investment)	109,183,827	91,564,344
Birla Sun Life		
1,375,753.59 Liquid fund Dividend reinvest of ₹ 100.1950 (30 June 2014: 1,213,783.092 Liquid Fund Div Reinvest of ₹ 100.1950 (net asset value of unquoted investment)	137,843,631	121,614,997
	373,038,928	341,849,756
Aggregate amount of unquoted investments	373,038,928	341,849,756

17 TRADE RECEIVABLES

(Unsecured)		
Receivables for a period exceeding six months from the date they are due for payment		
Considered good	24,463,754	6,983,138
Considered doubtful	12,194,571	11,142,104
Less: Provision for doubtful receivable	(12,194,571)	(11,142,104)
(A)	24,463,754	6,983,138
Other receivables		
Considered good	347,101,369	374,139,388
Considered doubtful	-	1,117,524
Less: Provision for doubtful receivable	-	(1,117,704)
(B)	347,101,369	374,139,568
(A+B)	371,565,123	381,122,526
Trade receivables include:		
Due from group companies	28,126,880	21,339,738

18 CASH AND BANK BALANCE

Cash and cash equivalents		
Balances with Bank		
On current accounts	179,412,847	153,905,613
In EEFC accounts	16,846,166	26,680,542
Other bank balances		
Bank deposit maturing within one year from reporting date	-	29,800,000
Margin money deposits	3,496,244	2,634,708
Unclaimed dividend*	18,127,220	16,483,501
	217,882,477	229,504,364

*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 ₹ 3,496,244 (30 June 2014: ₹ 2,634,708) which are due to mature within 12 months of the reporting date.

Notes to the consolidated financial statements	30 June 2015 ₹	30 June 2014 ₹
19 SHORT TERM LOANS AND ADVANCES		
Unsecured , considered good unless otherwise stated		
Loans and advances	-	652,463
Advances recoverable in cash or kind (refer note 14)	41,517,196	9,038,095
Service tax refund receivable (refer note 14)	10,194,358	8,049,933
Prepaid expenses (refer note 14)	21,058,460	14,517,824
Lease and other deposits (refer note 14)	56,000	56,000
MAT credit entitlement	5,053,203	2,179,987
Advance income-tax (30 June 2014: net of provision for tax of ₹ 73,161,943) (refer note 14)	-	25,871,543
	<u>77,879,217</u>	<u>60,365,845</u>
Loans and advances include:		
Due from group companies	-	562,433
20 OTHER CURRENT ASSETS		
Interest accrued on bank deposits	231,371	449,880
Unbilled revenue (refer note 37)	192,118,779	174,222,688
Others	-	9,370,502
	<u>192,350,150</u>	<u>184,043,070</u>
Other current assets include:		
Due from group companies	14,114,485	6,550,095
	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
21 REVENUE FROM OPERATION		
Sale of services	3,016,754,373	3,154,134,564
Other operating revenue		
Reimbursement from clients	11,482,572	13,237,019
	<u>3,028,236,945</u>	<u>3,167,371,583</u>
22 OTHER INCOME		
Interest on bank deposits	919,594	8,703,655
Interest on income tax refunds	5,995,211	21,922
Foreign exchange gain, net	26,875,907	-
Credit balances written back	1,743,723	3,487,938
Dividend from mutual fund	11,790,172	22,208,232
Profit on sale of asset, net	337,990	543,163
Miscellaneous income	9,462,039	12,961,368
	<u>57,124,636</u>	<u>47,926,278</u>
23 EMPLOYEE BENEFITS EXPENSE		
Salaries and incentives	1,199,281,683	1,125,843,357
Contribution to provident fund and other funds	33,884,020	30,183,429
Staff welfare expenses	43,940,840	46,906,089
Gratuity (refer note 32)	11,552,065	3,648,085
	<u>1,288,658,608</u>	<u>1,206,580,960</u>

Notes to the consolidated financial statements	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
24 FINANCE COSTS		
Bank charges	4,881,795	4,753,318
	<u>4,881,795</u>	<u>4,753,318</u>
25 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of tangible assets	84,185,240	73,043,432
Amortisation of intangible assets	49,035,566	48,997,882
	<u>133,220,806</u>	<u>122,041,314</u>
26 OTHER EXPENSES		
Advertisement and sales promotion	22,635,455	26,622,051
Auditors Remuneration (refer note below)	5,655,471	5,847,194
Commission and brokerage	23,962,112	47,743,548
Communication charges	19,369,487	18,527,862
Computer consumables	397,706	203,493
Connectivity charges	10,979,163	8,443,700
Data processing charges	12,051,916	12,982,348
Director's commission	400,000	300,000
Director's sitting and committee fees	1,551,423	554,727
Contribution to corporate social responsibility (refer note 38)	19,000,000	-
Donation	-	2,595,000
Insurance	4,257,330	4,052,613
Legal and professional fees	14,647,238	17,714,164
Management fees	24,270,351	17,951,347
Foreign exchange loss (net)	-	3,728,078
Membership and subscription	8,163,141	9,249,631
Power, fuel and water charges	29,057,538	31,073,354
Printing and stationery	2,266,056	2,767,718
Provision for doubtful debts, net of bad debt written off	10,679,628	5,570,510
Rates and taxes	14,767,136	2,849,442
Recruitment expenses	4,283,844	1,834,283
Rent (refer note 35)	77,227,151	90,383,848
Repair and maintenance :		
- Machinery	6,623,737	5,426,185
- Others	17,580,731	20,692,694
Software and maintenance	116,845,112	123,975,415
Technical consultants charges	56,366,331	61,825,442
Travelling and conveyance	76,074,037	77,933,628
Miscellaneous expenses	30,746,233	27,768,567
	<u>609,858,327</u>	<u>628,616,842</u>
Auditor's Remuneration		
Audit Fees	5,012,020	4,927,194
Other services (tax audit and certification)	475,000	725,000
Out of pocket expenses	168,451	195,000
	<u>5,655,471</u>	<u>5,847,194</u>

Notes to the consolidated financial statements	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
27 PRODUCT DEVELOPMENT COST CAPITALISED		
Payroll cost	15,397,354	28,149,570
Technical consultants charges	2,994,558	9,496,184
Other direct cost	248,369	558,644
	18,640,281	38,204,398
28 EARNING PER EQUITY SHARE (EPS)		
Number of shares (face value ₹ 10 each)	14,926,261	14,926,261
Profit after tax	673,970,178	839,260,428
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	45.15	56.23
Diluted earnings per share	45.15	56.23
29 CAPITAL AND OTHER COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	508,995	2,571,995
30 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 (appeal filed) Claim against Company not acknowledge as debt.	14,724,976	11,217,500
<p>The Company has reviewed all its pending litigation and proceedings and has adequately provided where provision are required. The Company has disclosed contingent liabilities wherever applicable. The resolution of these legal proceedings is not likely to have a material and adverse effect on the results of operations or the financial position of the Company.</p>		
31 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE		
Year of remittance (ending on)	Year ended 30 June 2015	Year ended 30 June 2014
Period to which the dividend relates	2013-14 (Final dividend)	2012-13 (Final dividend)
Numbers of non-resident shareholders	19	19
Numbers of equity shares held on which dividend was due	11,187,844	11,250,319
Amount remitted	246,132,568	450,012,760
Period to which it relates	2014-15 (Interim dividend)	2013-14 (Interim dividend)
Numbers of non-resident shareholders	18	19
Numbers of equity shares held on which dividend was due	11,184,344	11,223,125
Amount remitted	123,027,784	303,024,375

Notes to the consolidated financial statements

32 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 2015 ₹	Year ended 30 June 2014 ₹
a) Liability recognised in the balance sheet		
i) Present value of obligation		
Opening balance	45,607,120	42,625,324
Current service cost	9,621,587	7,935,770
Interest cost	3,805,370	3,096,480
Actuarial gain on obligations	1,919,965	(4,286,119)
Benefits paid	(4,728,566)	(3,764,335)
Closing balance (i)	56,225,476	45,607,120
ii) Fair value of plan assets		
Opening balance	38,139,760	38,032,537
Expected return on plan assets	3,500,519	3,379,684
Employer's contributions	6,238,355	773,512
Actuarial gain/(loss) on plan assets	294,339	(281,638)
Benefits paid	(4,728,566)	(3,764,335)
Closing balance (ii)	43,444,407	38,139,760
Net liability recognised in the balance sheet (i-ii)	12,781,069	7,467,360
b) Expenses recognised in statement of profit and loss		
Current service cost	9,621,587	7,935,770
Interest Cost	3,805,370	3,096,480
Expected return on plan assets	(3,500,519)	(3,379,684)
Net actuarial gain recognised during the period	1,625,626	(4,004,481)
Expenses recognised in statement of profit and loss	11,552,065	3,648,085
c) Break up of Plan assets		
LIC of India - Insurer Managed Fund	100.00%	100.00%
d) Principal actuarial assumptions		
Rate of discounting	8.10%	8.80%
Expected return on plan assets	9.00%	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	Indian Assured Lives Mortality (2006-08) ultimate
Normal retirement age	58 years	58 years

Notes to the consolidated financial statements

Experience adjustment	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹	Year ended 30 June 2012 ₹	Year ended 30 June 2011 ₹
Present value of obligation	56,225,476	45,607,120	42,625,324	36,980,044	34,433,315
Plan assets	43,444,407	38,139,760	38,032,777	31,072,000	29,334,934
Surplus (deficit)	(12,781,069)	(7,467,360)	(4,592,547)	(5,818,044)	(5,098,381)
Experience adjustments on plan liabilities (loss)/gain	(121,529)	1,027,170	2,127,217	3,274,195	-
Experience adjustments on plan assets (loss)/gain	(391,576)	(281,638)	780,327	(1,023,876)	-

(Experience adjustment details for the years ended 30 June 2011 have not been disclosed as such information is not available)

The Company estimates that the balance amount to be contributed to the gratuity fund during the financial year 2015-16 will be ₹ 14,274,047.

Leave encashment

The liability towards compensated absences (annual leave) for the year ended 30 June 2015 based on actuarial valuation carried out by using projected accrued benefit method resulted in increase in liability by ₹ 2,805,241 (30 June 2014: ₹ 4,097,285)

Principal actuarial assumptions

	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
Rate of discounting	8.10%	8.80%
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	Indian Assured Lives Mortality (2006-08) ultimate
Normal retirement age	58 years	58 years

Provident Fund

The company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to ₹ 28,948,311 (2014: ₹ 25,078,525).

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 (AS 17) 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 2015 ₹	For the year ended 30 June 2014 ₹	As at 30 June 2015 ₹	As at 30 June 2014 ₹
Asia Pacific	961,654,123	941,806,344	243,012,137	377,944,256
Middle East and Africa	588,965,163	706,101,124	59,070,501	(58,946,404)
Americas	939,855,789	1,039,741,967	111,097,061	193,136,377
Europe	537,761,870	479,722,148	559,354,780	597,095,422
Un-allocable assets	-	-	178,228,063	(13,780,808)
Total	3,028,236,945	3,167,371,583	1,150,762,542	1,095,448,843

Notes to the consolidated financial statements

34 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
Other related party	Catalysts for Social Action

(B) Transactions with related parties

(Amount in Rs.)

Nature of transactions	Year ended	Holding	Fellow Subsidiary	Other related party	Key management personnel	Total
Services rendered by the Company	30 June 2015	11,812,952	174,949,984	-	-	186,762,937
	30 June 2014	8,145,272	86,597,081	-	-	94,742,353
Services received by the Company	30 June 2015	-	66,173,041	-	-	66,173,041
	30 June 2014	-	75,530,105	-	-	75,530,105
Claims raised for expenses	30 June 2015	7,622,231	23,034,633	-	-	30,656,864
	30 June 2014	8,136,327	6,790,588	-	-	14,926,916
Claims received for expenses	30 June 2015	27,829,811	5,461,658	-	-	33,291,469
	30 June 2014	21,538,873	6,483,771	-	-	28,022,644
Remuneration	30 June 2015	-	-	-	36,779,929	36,779,929
	30 June 2014	-	-	-	31,818,988	31,818,988
Contribution to Corporate Social Responsibility	30 June 2015	-	-	19,000,000	-	19,000,000
	30 June 2014	-	-	-	-	-
Donation paid	30 June 2015	-	-	-	-	-
	30 June 2014	-	-	2,320,000	-	2,320,000
Dividend Paid	30 June 2015	122,576,245	-	-	279,796	122,856,041
	30 June 2014	746,600,765	-	-	625,646	747,226,411
Payable	30 June 2015	6,533,580	9,685,042	-	-	16,218,623
	30 June 2014	4,197,198	13,674,881	-	2,000,000	19,872,079
Receivable	30 June 2015	5,394,308	39,023,916	-	-	44,418,224
	30 June 2014	3,942,760	24,509,507	-	-	28,452,266

Notes to the consolidated financial statements

34 RELATED PARTY TRANSACTIONS (Continued)

(C) Of the above items, transactions in excess of 10% of the total related party transactions are as under	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹
Nature of transaction		
Income from Service rendered		
Accelya World SLU	129,404,968	48,234,337
Accelya Holding World SLU	11,812,952	8,145,272
Accelya France SAS	15,936,629	15,205,962
Accelya UK Limited	25,772,942	22,738,080
Accelya America, S.A. de C.V.	3,835,445	418,702
Purchase of services		
Accelya World SLU	62,669,231	75,530,105
Accelya UK Limited	3,503,810	-
Expenses charged to group companies		
Accelya France SAS	2,052,915	1,182,575
Accelya America, S.A. de C.V.	618,669	292,432
Accelya UK Limited	1,149,411	1,734,655
Accelya Holding World SLU	7,622,231	8,136,326
Accelya World SLU	19,213,638	3,580,927
Expenses charged by group companies		
Accelya UK Limited	5,024,984	4,630,830
Accelya Holding World SLU	27,829,811	21,538,873
Accelya World SLU	436,674	1,852,941
Salary/remuneration		
Vipul Jain	25,313,405	23,145,306
Gurudas Shenoy	7,651,122	6,108,685
Ninad Umranikar	3,815,402	2,564,997
Dividend paid		
Accelya Holding World SLU	122,576,245	746,600,765
Gurudas Shenoy	71,445	145,055
Ninad Umranikar	208,351	480,591
Contribution to Corporate Social Responsibility		
Catalysts for Social Action	19,000,000	-
Donation paid		
Catalysts for Social Action	-	2,320,000
Payables		
Accelya Holding World SLU	6,533,580	4,197,198
Accelya World SLU	9,039,305	13,196,538
Accelya UK Limited	645,738	478,343
Vipul Jain	2,150,000	2,000,000
Receivables		
Accelya America, S.A. de C.V.	766,877	673,564
Accelya Holding World SLU	5,394,308	3,942,760
Accelya UK Limited	6,995,808	2,316,078
Accelya France SAS	4,880,629	3,469,470
Accelya World SLU	26,380,602	18,050,395

Notes to the consolidated financial statements

35 LEASES

Operating lease

The lease rental for office premises, guest house and godown charged to statement of profit and loss aggregates to ₹ 74,252,411 (30 June 2014: ₹ 885,505,138).

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

	30 June 2015 ₹	30 June 2014 ₹
Not later than one year	70,185,090	76,333,870
Later than one year and not later than five years	180,626,237	197,655,781

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

The Company has no dues to micro and small enterprises during the years ended June 30, 2015 and June 30, 2014 and as at June 30, 2015 and June 30, 2014

	30 June 2015 ₹	30 June 2014 ₹
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	-	-

37 Unbilled revenue include revenue based on percentage of completion basis ₹ 20,072,019 (30 June 2014: ₹ 8,601,913)

38 As per the Companies Act, 2013, all companies having net worth of ₹ 500 crores or more, or turnover of ₹ 1,000 crores or more or a net profit of ₹ 5 crores or more during any financial year will be required to constitute a Corporate Social Responsibility (CSR) committee of the Board of Directors comprising three or more directors, at least one of whom shall be an independent director. The Company has constituted a committee comprising Mr. Philippe Lesueur, Mr. Vipul Jain, Mr. Nani Javeri and Ms. Sangeeta Singh as its members. The committee is responsible for formulating and monitoring the CSR policy of the Company.

The company has implemented CSR activities through Catalysts for Social Action (CSA) a Not-For-Profit organization dedicated to the cause of child welfare and rehabilitation for children living in orphanages. As per Section 135 of the Companies Act, 2013 the gross amount required to be spent by the Company on CSR activities is ₹ 193.60 lakhs. The total amount spent by the Company through CSA is ₹ 190 lakhs.

Amount Rs. in lakhs

CSR Activities	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	190.00	-	190.00

Notes to the consolidated financial statements

- 39 Previous year's figures have been reclassified, regrouped/rearranged wherever considered necessary to conform to the current year's presentation as follows:

					Amount Rs.
Particulars	Note No.	Amount as per Previous year financials	Revision in the amount for Previous year	Revised amount for Previous year	Remark
Tax expenses		429,589,259	22,660,138	452,249,397	Rearranged
Reserves and Surplus (Appropriations)	4	945,279,343	(22,660,138)	922,619,205	Rearranged
Earning per share (EPS)	28	57.75	(1.52)	56.23	Recalculated

- 40 Pursuant to the requirement of the Companies Act, 2013 (the "Act") the Company has revised the depreciation rate for end use computer, based on the estimated economic useful life as prescribed by the Schedule II of the Act. Accordingly the Company has adjusted the net residual value as at July 1 2014 aggregating to ₹ 1,016,247 to retain earnings and deferred tax thereon ₹ 345,422..
- 41 Kale Revenue Assurance Services Limited (KRAS), the wholly owned subsidiary of the Company in the United Kingdom, was placed under Members Voluntary Liquidation (MVL) with effect from 20 May 2015 vide board resolution passed by the Board of Directors of KRAS on 30th April, 2015. The effective date of liquidation was 20 May 2015 the date on which the shareholders of KRAS passed the resolution for voluntary liquidation.

Consequently, all the assets and liabilities of KRAS were transferred to the liquidator approved by the board. The liquidator transferred entire issued capital of ZOUK and other assets and liabilities of the Company, being the owner of KRAS. The liquidator has completed liquidation process and final order is yet to be received from authorities.

- 42 Statement pursuant to requirement of Schedule III to the Companies Act, 2013 relating Company's interest in subsidiary companies.

Name of Entity	Net Assets [Total Assets- Total Liabilities]		Share in Profit or Loss	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount
Parent Company				
Accelya Kale solutions Limited	82.17%	945,591,327	84.97%	572,693,058
Subsidiaries				
Kale Softec Inc.	4.38%	50,393,686	3.19%	21,515,548
Kale Revenue Assurance Services Ltd, UK*	-	-	(0.23%)	(1,558,201)
Zero Octa UK Ltd	13.45%	154,777,529	12.07%	81,319,773
Total	100.00%	1,150,762,542	100.00%	673,970,178

* **Note:** Kale Revenue Assurance Services Ltd, UK is liquidated with effect from 20 May 2015.

- 43 During the year Company has received Income tax refund for the financial year 2008-09, 2009-10 and 2010-11 amounting to ₹ 31,866,760 out of which Interest on Income tax refund amounting to ₹ 5,995,211 accounted in profit and loss account under other income.
- 44 The Company's management is of the opinion that its international transactions with related parties are at arms length and that the Company is in compliance with the transfer pricing legislation. Based on the above, the Company's management believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of the provision for taxation.

Notes to the consolidated financial statements

45 LONG TERM CONTRACT

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

46 DERIVATIVE INSTRUMENT

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

Outstanding derivative instruments

Category	Currency Hedge	30 June 2015		30 June 2014	
		Foreign currency	₹	Foreign currency	₹
Forward exchange contracts (to hedge highly probable exports)	USD	14,200,000	903,972,000	12,550,000	753,251,000
	EUR	2,100,000	149,460,990	2,800,000	229,320,000
	GBP	1,110,000	111,054,723	1,500,000	153,315,000

47 Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

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

Place: Mumbai
Date : 5 August, 2015

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

Philippe Lesueur
Chairman
DIN: 03327819

Vipul Jain
Managing Director
DIN: 00142518

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary

Place: Mumbai
Date : 5 August, 2015

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(All amounts in Rs. unless otherwise stated)

Sr. No.	Name of the subsidiary	Kale Softech Inc	Zero Octa UK Limited
1	Reporting currency	USD	GBP
2	Exchange rate on the last date of the financial year	63.66	100.05
3	Financial year ending on	30th June 2015	30th June 2015
4	Share capital	827,580	111,056
5	Reserves & surplus	107,942,087	110,313,529
6	Total assets	172,859,245	147,227,877
7	Total Liabilities	64,089,578	36,803,292
8	Investments	-	-
9	Turnover	679,457,376	343,125,977
10	Profit before taxation	37,242,628	105,169,959
11	Provision for taxation	15,045,723	21,668,729
12	Profit after taxation	22,196,905	83,501,230
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%

Note: Kale Revenue Assurance Services Ltd, UK is liquidated with effect from 20 May 2015.

For and on behalf of Board of Directors
Accelya Kale Solutions Limited
CIN: L74140PN1986PLC041033

Philippe Lesueur
Chairman
DIN: 03327819

Vipul Jain
Managing Director
DIN: 00142518

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary

Place: Mumbai
Date : 5 August, 2015

Shareholder Information

1. Annual General Meeting

- Date and Time - Wednesday, 30th September, 2015 at 12.00 noon
 Venue - Pudumjee Assembly Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune – 411 002
 Book Closure Dates - Thursday, 24th September, 2015 to Wednesday, 30th September, 2015 (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

Name, Address & Telephone Nos. of the Stock Exchanges	Scrip Code	Date of Listing	Listing fees For 2014-15
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

(*) Pune Stock Exchange Limited had opted for Voluntary De-recognition as per the SEBI's circular. SEBI vide its Order No. WTM/RKA/MRD/28/2015 dated 13th April, 2015 had allowed the exit of Pune Stock Exchange Limited and now the Pune Stock Exchange ceased to be a Stock Exchange. And consequently the Company has been delisted from Pune Stock Exchange Limited.

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, 2015)

Type of Holding	Percentage to Share Capital
Physical	1.16%
Dematerialized	98.84%
Total	100.00%

5. ISIN Numbers

NSDL:

ISIN No.	Description	Type of Shares
INE793A01012	KALE CONSULTANT EQ	Equity Share

CDSL:

ISIN No.
INE793A01012

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

Karvy Computershare Private Limited
 Karvy Selenium, Tower B,
 Plot 31-32, Gachibowli Financial District,
 Nanakramguda,
 Hyderabad – 500 032
 Tel. No. (040) 67162222
 Fax No. (040) 23001153
 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, 2014	760.00	690.10	7840.95	7422.15
August, 2014	751.95	616.80	7968.25	7540.10
September, 2014	758.90	657.20	8180.20	7841.80
October, 2014	853.00	703.20	8330.75	7723.85
November, 2014	944.00	754.00	8617.00	8290.25
December, 2014	1079.95	901.00	8626.95	7961.35
January, 2015	1060.00	922.00	8996.60	8065.45
February, 2015	986.95	905.00	8941.10	8470.50
March, 2015	1019.80	905.00	9119.20	8269.15
April, 2015	1119.60	923.00	8844.80	8144.75
May, 2015	1035.00	934.40	8489.55	7997.15
June, 2015	1085.00	932.65	8467.15	7940.30

8. Shareholding Pattern as on 30 June, 2015

Sr. No.	Category	No. of Shares held	Percentage
1	Promoters		
	- Foreign Promoters	11,143,295	74.66
2	Mutual Funds	404,202	2.71
3	Banks, FIs, Insurance Companies, Institutions	8,208	0.05
4	Foreign Institutional Investors	560,101	3.75
5	Corporate Bodies	501,652	3.36
6	Indian Public	2,139,955	14.34
7	NRIs / OCBs / Foreign Nationals	168,592	1.13
8	Trusts	256	0.00
	TOTAL	14,926,261	100.00

9. Distribution of Shareholding as on 30 June, 2015

Shareholding Range	No. of Shareholders	Percentage	Shareholding	Percentage
Up to 500	14,403	94.93	1,153,362	7.73
501 – 1000	390	2.57	297,553	1.99
1001 – 2000	191	1.26	277,967	1.86
2001 – 3000	62	0.41	157,826	1.06
3001 – 4000	24	0.16	83,340	0.56
4001 – 5000	27	0.18	123,128	0.83
5001 – 10000	47	0.31	343,556	2.30
10001 and above	28	0.18	12,489,529	83.67
TOTAL	15,172	100.00	14,926,261	100.00

10. Investor Complaints

During the year, the Company received 40 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
BSE Limited	14 th October, 2014
National Stock Exchange of India Limited	7 th October, 2014
BSE Limited	7 th January, 2015
National Stock Exchange of India Limited	6 th January, 2015
BSE Limited	6 th April, 2015
National Stock Exchange of India Limited	15 th April, 2015
BSE India	3 rd July, 2015
National Stock Exchange of India Limited	2 nd July, 2015

The Company has set up a Stakeholders Relationship Committee, which monitors overall investor complaints in co-ordination with Registrar & Share Transfer agent.

11. Financial Calendar

The tentative calendar of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 30th June, 2016 is as follows:

Quarter /Year ended	Month of approval of Financial Results
30 th September, 2015	October / November, 2015
31 st December, 2015	January / February, 2016
31 st March, 2016	April / May, 2016
30 th June, 2016	July / August, 2016



ACCELYA KALE SOLUTIONS LIMITED

Regd. Off.: Accelya Enclave, 685/2B and 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 ninth Annual General Meeting (AGM) of the members of Accelya Kale Solutions Limited (CIN: L74140PN1986PLC041033) will be held on Wednesday, the 30th day of September, 2015 at 12.00 noon at Pudumjee Assembly Hall, Maharashtra 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 financial statements (including audited consolidated financial statements) for the year ended 30th June, 2015, 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 ratify the appointment of B S R and Co. LLP, Chartered Accountants, (Firm's Registration No. 101248W/W-100022) as approved by Members at the twenty eighth Annual General Meeting as Statutory Auditors of the Company, 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 139, 142 and other provisions of the Companies Act, 2013 and the Companies (Audit and Auditors Rules), 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the resolution passed by the Members at the twenty eighth Annual General Meeting of the Company held on 25th September, 2014, the appointment of B S R and Co., LLP, Chartered Accountants, (Firm's Registration No. 101248W/W-100022), as Auditors of the Company to hold office till the conclusion of the thirtieth AGM of the Company be and is hereby ratified and the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 30th June, 2016.”

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT, without prejudice to the resolution passed at the Annual General Meeting of the Company held on September 26, 2013, for payment of remuneration to Mr. Vipul Jain as the Managing Director of the Company, the consent of the Company, be and it is hereby accorded to the payment of one-time special bonus of Rs. 10,000,000 (Rupees Ten Million only) to Mr. Vipul Jain as a gesture of appreciation of his contribution to the Company's growth over the years, pursuant to the provisions of sections 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to the approval of the Central Government, if necessary.

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps, including making application to the Central Government, as may be necessary, proper and expedient to give effect to this resolution.”

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Ms. Neela Bhattacharjee (DIN 01912483), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 5th August, 2015 under Section 161(1) of the Companies Act, 2013 (“the Act”) and The Companies (Appointment and Qualification of Directors) Rules 2014, (including statutory modification(s) or re-enactment thereof for the time being in force) and who is eligible for appointment as Director and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying his intention to propose the candidature of Ms. Neela Bhattacharjee for the office of Director, be and is hereby appointed as a Director of the Company, who will not be 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 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if necessary, and pursuant to the recommendation of the Board of Directors (“the Board”) at its meeting held on August 5th 2015, the consent of the Company be and is hereby accorded to the appointment of Ms. Neela Bhattacharjee (DIN 01912483) as Whole Time Director of the Company for the period from 5th August 2015 to 30th September 2015 and as Managing Director of the Company for the period from 1st October 2015 to 30th June 2018 upon the terms and conditions as mentioned below:

A. Basic Salary and Allowances

Basic Salary and Allowances upto Rs. 8,200,000 (Rupees Eight Million Two Hundred Thousand only) per annum.

B. Perquisites and Other Allowances

- i) Leave Travel Allowance for self and family.
- ii) Insurance: As per rules of the Company.
- iii) Provision of Company Car and fuel maintenance.
- iv) Provision of driver / Reimbursement of driver's salary.

C. Other Benefits

- i) Employer's Contribution to Provident Fund
- ii) Gratuity: As per rules of the Company.
- iii) Leave: As per rules of the Company.

D. Incentive

Ms. Bhattacharjee shall be entitled to incentive provided that the total amount to be paid to Ms. Bhattacharjee towards incentive shall not exceed Rs. 5,250,000 (Rupees Five Million Two Hundred and Fifty Thousand only).

“**RESOLVED FURTHER THAT** the overall remuneration payable to Ms. Neela Bhattacharjee shall not exceed Rs. 14,750,000 (Rupees Fourteen Million Seven Hundred and Fifty Thousand only) per annum.

“**RESOLVED FURTHER THAT** Ms. Neela Bhattacharjee shall be entitled for increase upto 20% in the overall remuneration on an annual basis as may be decided by the Board.

“**RESOLVED FURTHER THAT** in the absence or inadequacy of profits in any financial year, subject to the approval of the Central Government, the overall remuneration of Rs. 14,750,000 (Rupees Fourteen Million Seven Hundred and Fifty Thousand only) payable to Ms. Neela Bhattacharjee by way of salary, perquisites, other allowances and benefits as aforesaid shall be treated as minimum remuneration.

“**RESOLVED FURTHER THAT** Ms. Neela Bhattacharjee shall not be liable to retirement by rotation.

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to enter into appropriate agreement(s) with Ms. Neela Bhattacharjee in respect of her appointment as Whole Time Director/Managing Director, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board of Directors and Ms. Neela Bhattacharjee and also to take all such steps, including making an application to the Central Government, if necessary, proper and expedient to give effect to this resolution.”

8. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr. Vipul Jain (DIN 00142518), who is eligible for appointment as Director effective from 1st October, 2015 and from whom the Company has received a notice in writing under his hand signifying his candidature as a Director under section 160 of the Act, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.”

9. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr. John Johnston, (DIN 07258586), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 14th August, 2015 under Section 161(1) of the Companies Act, 2013 (“the Act”) and The Companies (Appointment and Qualification of Directors) Rules 2014, (including statutory modification(s) or re-enactment thereof for the time being in force) and who is eligible for appointment as Director and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Act, signifying his intention to propose the candidature of Mr. John Johnston for the office of Director, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company liable to retire by rotation.”

10. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** subject to the provisions of sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder, (including statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the payment of such commission to its Directors (other than Managing Director and Whole Time Director(s), if any) of the Company, not exceeding 1% per annum of the net profits of the Company computed in the manner provided under section 198 of the Act, with authority to the Board to determine the manner and proportion in which the amount be distributed among Non-Executive Directors.”

By the Order of the Board of Directors

Ninad Umranikar
Company Secretary

Place : Thane
Date : 14 August, 2015

NOTES :

1. The statement pursuant to section 102 of the Companies Act, 2013 (“the Act”) in respect of the business under Item Nos. 5 to 10 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 Director seeking appointment under Item Nos. 5, 6, 7, 8 and 9 of the Notice, are annexed. The relevant details of Mr. Philippe Lesueur are given 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 Thursday, the 24th day of September, 2015 to Wednesday, the 30th day of September, 2015, 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 8th and / or 9th October, 2015 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 Wednesday, the 23rd day of September, 2015;
 - 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 Wednesday, the 23rd day of September, 2015.
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 (loss or misplace of share certificate). Members can contact the Company or Karvy for assistance in this regard.**
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 for 2014-15 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 Scrutinizer 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."

Annual General Meeting Notice

- xi. The voting rights shall be as per the number of equity shares held by the members as on 23rd September, 2015 (cut off date). Members are eligible to cast vote electronically only if they are holding shares as on that date.
- xii. Members who have acquired shares after the dispatch of the Annual Report but before the cut off date may obtain the user ID and Password by sending a request at evoting@karvy.com or mohsin.mohd@karvy.com.
- xiii. Remote e-voting facility where members can cast their vote online shall be open from: **27th September, 2015 (9.00 a.m.) till 29th September, 2015 (5.00 p.m.)**
- xiv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call Karvy Computershare Private Limited on 1800 345 4001 (toll free).
- xv. Members may alternatively cast their votes using the Ballot Form sent alongwith this notice and also available on the website of the Company. Please refer instructions under heading C below for more details.

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 (xiii) 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, atB-201, Pratik Industrial Estate, Near Fortis (WockHardt) Hospital, Mulund Goregaon Link Road, Nahur (W), Mumbai - 400 078, so as to reach by 5.00 p.m. on 29th September, 2015. 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 Board of Directors has appointed Mr. Nilesh A. Pradhan, Practicing Company Secretary (FCS No. 5445 CP No. 3659) as the Scrutinizer to scrutinize the e-voting process (including voting through ballot form received from the members) and voting at the venue of the Annual General Meeting in a fair and transparent manner.
- ii. The Scrutinizer shall, after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and not later than three days from the conclusion of the meeting, prepare a consolidated scrutinizer's report and submit the same to the Chairman of the Company.
- iii. 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 (<http://evoting.karvy.com>) and shall also be communicated to the stock exchanges. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of Annual General Meeting i.e. 30th September, 2015.

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. 5 to 7 of the Notice:

Item No. 5

At the Annual General Meeting of the Company held on 26th September, 2013, the Members had approved remuneration payable to Mr. Vipul Jain as Managing Director of the Company. There is no increase in remuneration payable to Mr. Vipul Jain over the previous year for the period from 1st July, 2015 to 30th September, 2015. The overall remuneration payable to Mr. Vipul Jain shall be within the limits prescribed under section 197 of the Companies Act, 2013.

It is proposed to pay a one-time special bonus of Rs. 10,000,000 (Rupees Ten Million only) to Mr. Vipul Jain, subject to the approval of the shareholders at the ensuing Annual General Meeting. This is a token gesture to recognize and appreciate the immense contribution of Mr. Vipul Jain over nearly three decades to the success of the Company. Mr. Vipul Jain has built the Company to be a global market leader in the Financial domain for the airline industry. Over the past five years, revenues have grown by 2.15 times, profit by 3.95 times and market capitalisation by 8.42 times. The Board felt that a gesture of appreciation for Mr. Jain's contribution would be appropriate from the side of the Company and Shareholders.

The Board recommends the Resolution at Item No. 5 for approval by the Members.

Mr. Vipul Jain is concerned or interested in the Resolution at Item No. 5 of the Notice relating to his appointment and remuneration.

Other than Mr. Vipul Jain, 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. 5, except to the extent of their respective shareholding, if any, in the Company.

Item Nos. 6 and 7

Brief Profile of Ms. Neela Bhattacharjee

Neela Bhattacharjee has been with Accelya Kale for the past 15 years and is currently responsible for product strategy, sales and customer relationships.

Under Neela's leadership, the Company strengthened its product portfolio and increased revenues from existing and new airline customers. She was instrumental in setting up Accelya Kale's UK operations for European Sales and Support. She also played a key role in the inorganic growth strategy of the Company and the integration of the businesses post acquisition. As a member of the Executive Management Team, Neela has not only been instrumental in developing Accelya Kale's business but also shaping the culture of the organization.

Prior to her current assignment at Accelya Kale, Neela was Director and CEO of Softcell Consultants Pvt. Ltd. Neela had also worked at A. F. Ferguson Management Consultants.

Ms. Neela Bhattacharjee (DIN 01912483) was appointed as an Additional Director pursuant to section 161(1) of the Act by the Board of Directors on 5th August, 2015 and designated as Whole Time Director of the Company, subject to the approval of the Company in the General Meeting.

The Board also at the said Meeting, appointed her as Managing Director of the Company for a period effective from 1st October 2015 to 30th June, 2018, subject to the approval of the Company in General Meeting. Ms. Neela Bhattacharjee is capable and competent in handling the affairs of the Company. The Board is confident that under the able leadership of Ms. Neela Bhattacharjee as Managing Director, the Company will scale new heights.

The terms and conditions of appointment and remuneration of Ms. Bhattacharjee are provided in the resolution at Item No. 7 of the Notice.

Ms. Bhattacharjee is not liable to retirement by rotation.

The Company has received a notice under sub-section (1) of section 160 of the Companies Act, 2013 along with a deposit of Rs. 1,00,000 (Rupees One Lakh only) from a member of the Company proposing Ms. Bhattacharjee as a candidate for the office of Director of Accelya Kale Solutions Limited.

Ms. Neela Bhattacharjee is not a Director in any other company. She holds 2,089 equity shares in the Company.

The Board recommends the Resolution at Item Nos. 6 and 7 for approval by the Members.

Ms. Neela Bhattacharjee is concerned or interested in the Resolution at Item Nos. 6 and 7 of the Notice relating to her appointment and remuneration.

Other than Ms. Neela Bhattacharjee, 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. 6 and 7, except to the extent of their respective shareholding, if any, in the Company.

Item No. 8

Mr. Vipul Jain has served as Managing Director of the Company for more than 20 years He will be stepping down as Managing Director effective from 30th September, 2015.

Brief Profile of Mr. Vipul Jain

He is a B.Tech. from I.I.T., Kanpur and a Post Graduate in Management from IIM Ahmedabad. He was responsible for development and implementation of the country's first on-line Hotel Management System in 1982. In 1986, along with Mr. Narendra Kale, he promoted the Company and took on the marketing responsibility for the Company. In 1992, he took on the responsibility of Managing Director. The setting up of the airlines line of business has been at his initiative and he has been responsible for Accelya Kale's growth as a widely recognized leader for financial solutions for the global airline market.

Mr. Vipul Jain has given notice pursuant to section 160 of the Companies Act, 2013 ("the Act"), signifying his intention to propose his candidature as Non-Executive Non-Independent Director of Accelya Kale Solutions Limited in the ensuing Annual General Meeting of the Company. The Company has received deposit of Rs. 100,000 from Mr. Vipul Jain as required under the Act.

Mr. Jain has an overall experience of more than 30 years. He is a Director in the following companies:

Companies in which Mr. Vipul Jain is a Director

Accelya Kale Solutions Limited	Virtual Wizard Private Limited
Kale Logistics Solutions Private Limited	Fight Hunger Foundation (NGO)
Baaya Ventures Limited	

Mr. Jain does not hold any equity shares in the Company.

Mr. Jain is liable to retirement by rotation.

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

Mr. Vipul Jain is concerned or interested in the Resolution at Item No. 8 of the Notice relating to his appointment and remuneration.

Other than Mr. Vipul Jain, 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.

Item No. 9

Mr. John Johnston, was appointed an Additional Director pursuant to the provisions of section 161 of the Companies Act, 2013 ("the Act"), the rules made thereunder and Article 113 of the Articles of Association of the Company by the Board of Directors with effect from 14th August, 2015. The term of Mr. Johnston as Additional Director expires at the ensuing Annual General Meeting.

Brief Profile of Mr. John Johnston

Mr. John Johnston is the CEO of Accelya Group. He is based out of Luxembourg. He has work experience of over 38 years.

Prior to joining Accelya, John was Chairman of the Board of Directors at GLS Worldwide, also known as TRAXON Worldwide, a joint venture company between CHAMP Cargosystems S.A., Cathay Pacific Airlines and Japan Airlines. He has a great track record for growth and has developed the most comprehensive range of integrated IT solutions for the Air Cargo Logistics Community.

During his career, John has held senior executive positions and has provided consulting services to global airlines.

Here are his key achievements over the years:

- Managed all aspects of the successful start-up of CHAMP Cargosystems.
- Defined the Vision and Strategy of CHAMP Cargosystems.
- Negotiated the \$200m Cargolux Outsourcing Agreement.
- Managed the merger between CHAMP and SITA Cargo (UK) Limited.
- Managed the acquisition of Softair AG.
- Managed the acquisition of TRAXON Europe GmbH.
- Maintained year-on-year profitability and the continued growth of the CHAMP Group.

Mr. John Johnston is not a Director in any other company and does not hold any shares in the Company.

Mr. Johnston is liable to retirement by rotation.

The Company has received a notice under sub-section (1) of section 160 of the Companies Act, 2013 alongwith a deposit of Rs. 1,00,000 (Rupees One Lakh only) from a member of the Company proposing Mr. Johnston as a candidate for the office of Non-Executive Non-Independent Director of Accelya Kale Solutions Limited.

The Board recommends the Resolution at Item No. 9 for approval by the Members.

Mr. Johnston is concerned or interested in the Resolution at Item No. 9 of the Notice relating to his appointment.

Other than Mr. John Johnston, 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. 9, except to the extent of their respective shareholding, if any, in the Company.

Item No. 10

The Members of the Company, at the Annual General Meeting held on 26th September, 2013, had approved the payment of remuneration by way of commission on profits to Independent Directors of the Company, with effect from 1st July, 2013 for a period of five years.

It is now proposed that the commission be also paid to Non-Executive Non-Independent Directors.

The Non-Executive Directors bring with them significant professional expertise and rich experience.

The Board is of the view that it is necessary that adequate compensation should be paid to the Non-Executive Directors (including Independent Directors) so as to compensate them for their time and efforts and also to retain and attract the pool of talent for the growth and prosperity of the Company.

In view of the same, it is recommended that commission as envisaged in the resolution be paid to Non-Executive Directors (including Independent Directors) for a period of five (5) years with effect from 1st July, 2015.

The Board recommends the Resolution at Item No. 10 for approval by the Members.

Other than Mr. Philippe Lesueur, Mr. John Johnston, Mr. K. K. Nohria, Mr. Sekhar Natarajan, Mr. Nani Javeri, Ms. Sangeeta Singh and Mr. Vipul Jain, none of the Key Managerial Personnel of the Company or their relatives is concerned or interested, in the Resolution at Item No. 10 of the Notice, 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 : 14 August, 2015



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 / her
- 2. Name : _____
Address : _____
E-mail Id : _____
Signature : _____ or failing him / her
- 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 Wednesday, the 30th day of September, 2015 at 12.00 noon at Pudemjee Assembly Hall, Mahratta Chamber of Commerce, Industries and 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 Financial Statements for the year ended 30th June, 2015 and the Directors' and Auditors' Report (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, liable to retire by rotation (Ordinary Resolution)
- 4. Ratification of Appointment of Auditors (Ordinary Resolution)
- 5. Approval of remuneration payable to Mr. Vipul Jain (Ordinary Resolution)
- 6. Appointment of Ms. Neela Bhattacharjee as Director of the Company
- 7. Appointment of Ms. Neela Bhattacharjee as Managing Director and Remuneration payable to her (Ordinary Resolution)
- 8. Appointment of Mr. Vipul Jain as Non-Executive Non-Independent Director (Ordinary Resolution)
- 9. Appointment of Mr. John Johnston as Non-Executive Non-Independent Director (Ordinary Resolution)
- 10. Payment of commission to Non-Executive (including Independent) Directors (Special Resolution)

Signed this day of 2015

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.



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

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting on Wednesday, the 30th day of September, 2015 at 12.00 noon at Pudumjee Assembly Hall, Mahratta 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.



ACCELYA

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REVENUE ACCOUNTING COST MANAGEMENT
DECISION SUPPORT MISCELLANEOUS BILLING
COST MANAGEMENT PASSENGER CARGO
CARGO AUDIT REVENUE RECOVERY SALES AUDIT
INTERLINE
CHANNEL PERFORMANCE SALES PERFORMANCE
FLIGHT PROFITABILITY BUDGETING & FORECASTING
ROUTE PROFITABILITY CARGO AUDIT
REVENUE RECOVERY COST MANAGEMENT
BUDGETING & FORECASTING AIRMAIL
CONTRACT MANAGEMENT INTERLINE CARGO
INTERLINE
REVENUE RECOVERY SALES PERFORMANCE
CARGO AUDIT FLIGHT PROFITABILITY
REVENUE ACCOUNTING SALES AUDIT
REVENUE RECOVERY COST MANAGEMENT
ROUTE PROFITABILITY REVENUE RECOVERY
INTERLINE PASSENGER

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