

Accelya Kale Solutions Limited

30th
Annual Report
2015-16

CORPORATE OFFICE & DEVELOPMENT CENTRE

Thane

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

DEVELOPMENT CENTRE

Pune

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

MPS

Mumbai

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

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

Pune

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

Goa

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

INTERNATIONAL OFFICES

USA

2035 Lincoln Highway, Suite 1190 Edison, NJ 08817 Tel: +18482600549

UK

Avenue Court, Victoria Avenue, Camberley, Surrey, GU15 3HX United Kingdom.

Tel: + 44 12 7640 1201

Contents

Board of Directors		Letter to Shareholders2
Philippe Lesueur	Chairman	
Neela Bhattacherjee (*)	Managing Director	
John Johnston (**)	Director	Financials Highlights3
Vipul Jain (***)	Director	
K.K. Nohria	Director	
Sekhar Natarajan	Director	Directoral Depart
Nani Javeri	Director	Directors' Report4
Sangeeta Singh	Director	
(*) Appointed as Managing Direct (**) Appointed as Non-Executive (***) Appointed as Non-Executive		Management Discussion and Analysis 35
Auditor B S R & Co., LLP Chartered Accountants Company Secretary Ninad Umranikar		Auditor's Report40
Bankers State Bank of India ICICI Bank Ltd.		Financial Statements
Registered Office Accelya Enclave, 685/2B 1st Floor, Sharada Arcade Satara Road, Pune - 411 Tel No. 101 20 6608 277	e, 037.	Consolidated Financial Statements 76
Tel. No. +91 20 6608 3777 Fax No. +91 20 2423 1639 Website: www.accelyakale.com CIN: L74140PN1986PLC041033		Salient Features of Subsidiaries 109
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		Shareholder Information 110
Fax: +91 - 40 - 230011 Toll Free No.: 1800-345-40	53	AGM Notice 113



Dear Shareholders.

This was my first year as Managing Director of Accelva Kale and it has been a pleasure leading such a motivated organization. I am happy to share with you that we have seen growth in our revenues and earnings.

Total revenues for FY 2016 stood at Rs. 3,499.31 million and net profit after tax was at Rs. 830.23 million. This is a 13.42% growth in revenues and 23.18% growth in PAT as compared to FY 2015. The Company added new business from global airlines like LATAM Airlines Group, Brussels Airlines as well as renewed its relationship with International Air Transport Association (IATA).

Accelya Kale continued the practice of rewarding its shareholders with dividends. This year, the total dividend is Rs. 45 per share, including Rs. 30 per share recommended as final dividend.

Last year, all REVERA customers successfully migrated to the REVERA Next platform. This year, to further strengthen our engagement and relationship with REVERA customers, we launched the REVERA online community. We have a vibrant REVERA User Group and REVERA SPG Board who have been contributing to the growth of our platform. Their active involvement in the online community has provided us with valuable inputs in defining the REVERA strategy and roadmap.

We have focused on the Low Cost Carriers (LCC) market, which we see as a growing opportunity. We now have eight LCC airlines as customers for REVERA. As more LCC airlines move to hybrid models, REVERA will be the platform of choice as it caters to both - the simplicity of an LCC airline as well as the complexity of interline agreements for hybrid carriers.

In our quest to add value to our customers, we have been investing in Analytics and Consulting solutions. We identify opportunities within an airline's existing processes to deliver a positive impact on their revenue and profitability. Customers are seeing value in our consultative analytics approach.

I am also delighted to share that for second year in a row, Accelya featured in the IAOP Global Outsourcing 100 List.

Mr. Philippe Lesueur will be stepping down as the Chairman and Director of the Accelya Kale Board and Mr. John Johnston, who currently serves as Non-Executive Director on the Board will take over as the Chairman. On behalf of the Board, I would like to thank Mr. Philippe Lesueur for his leadership and invaluable guidance as Chairman of the Board.

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

Yours truly,

Neela Bhattacheriee **Managing Director**

Financial Highlights

Based on standalone figures

(Amount in ₹ Million)

Financial Year	2015-16	2014-15	2013-14	2012-13	2011-12
INCOME STATEMENT					
Operating Revenue	3,097.15	2,722.76	2,832.06	2,623.84	1,814.06
Operating EBITDA	1,371.47	1,159.71	1,410.68	1,158.32	537.03
Profit Before Tax	1,232.69	1,114.74	1,284.93	1,044.72	466.28
Profit After Tax	806.91	757.15	873.27	712.44	314.15
BALANCE SHEET					
Net Worth	949.64	945.59	803.18	762.93	1,059.37
Borrowings	-	-	-	0.04	0.68
Net Fixed Assets	350.80	290.94	329.62	345.61	287.60
Cash and Cash Equivalents	38.43	52.53	98.58	182.16	200.74
Current Assets	978.78	986.08	951.30	1,085.33	832.37
Current Liabilities	927.79	864.36	964.68	1,103.03	512.68
Capital Employed	949.64	945.59	803.18	762.97	1,060.05
FINANCIAL INDICATORS					
Operating EBITDA Margin	44%	43%	50%	44%	30%
Current Ratio	1.05	1.14	0.99	0.98	1.62
Net Worth per share (₹)	63.62	63.35	53.81	51.11	67.88
Dividend per share (₹)	45.00	36.00	49.00	70.00	23.50
Market price per share (₹)	1,144.95	999.50	680.45	454.40	122.10
Basic Earnings per share (₹)	54.06	50.73	58.51	47.73	20.13

To.

The Members,

Your Directors are pleased to present the Thirtieth report on the business and operations of the Company for the year ended 30th June, 2016.

FINANCIAL RESULTS (STANDALONE	≣)	₹ in Million
Particulars	2015-16	2014-15
Total Revenue		
- Revenue from Services	3,097.15	2,722.76
- Other Income	98.93	148.63
Total	3,196.08	2,871.39
Total Expenditure	1,963.39	1,848.87
Profit before Tax and		
Exceptional Items	1,232.69	1,022.52
Exceptional Items	-	92.22
Profit Before Tax and After		
Exceptional Items	1,232.69	1,114.74
Provision for Tax		
- Current Tax	428.56	333.18
- Deferred Tax (Credit)/Charge	(2.78)	24.41
Profit After Tax	806.91	757.15
Profit brought forward from		
previous year	230.65	88.24
Profit available for appropriation	1,037.56	845.39
Appropriations:		
- 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	223.89	164.19
- Proposed Dividend	447.79	373.16
- Dividend Distribution Tax	135.26	92.40
- Dividend Distribution Tax Credit	(4.08)	(15.68)
- Balance Carried Forward		
to Balance Sheet	234.70	230.65

DIVIDEND

The Company had declared and paid an interim dividend of Rs. 15 per equity share during the year.

Your Directors are pleased to recommend a final dividend of Rs. 30 per equity share for the financial year ended 30th June, 2016.

OPERATING RESULTS

During the year under review, your Company's operating revenues grew by 13.75% from Rs.2,722.76 million to Rs.3,097.15 million. The total expenditure for the year stood at Rs.1,963.39 million as against Rs.1,848.87 million, an increase of 6.19% over the previous year.

The Company has posted profit before tax and after exceptional items of Rs.1,232.69 million as against Rs.1,114.74 million for the previous year, an increase of 10.58% over the previous year.

The Company recorded profit after tax for the year ended 30th June, 2016 of Rs.806.91 million as compared to Rs. 757.15 million in the previous year, an increase of 6.57%

BUSINESS OPERATIONS

During the year, the Company added a number of leading global airlines to its customer list as well as renewed its relationship with IATA. Some of these are:

- LATAM Airlines Group, the largest airline group in Latin America, selected REVERA® PRA to standardize the passenger revenue accounting processes across the airlines that are part of LATAM Airlines Group
- Brussels Airlines selected FinesseCost™ to efficiently manage their Direct Operating Cost (DOC)
- International Air Transport Association (IATA) renewed the contract with Accelya Kale for managing its Simplified Invoicing and Settlement (SIS e-invoicing) platform

The Company continued its focus on innovation, increased productivity and quality by launching new initiatives to connect with customers as well as new solutions.

- Following the success of REVERA User Meet and REVERA SPG Board, Accelya Kale launched REVERA online community to further strengthen its engagement with REVERA customers.
- Accelva Kale introduced Analytics and Consulting to help airlines identify opportunities for revenue and cost optimization.

The Company is committed to greener world and has taken steps in this direction. Key initiatives undertaken include water conservation, energy conservation, reduction in food wastage and waste management.

For the second year in row, Accelya featured in the International Association of Outsourcing Professionals (IAOP) Global Outsourcing 100 List, a list of the leading outsourcing firms in the World. Accelya was rated highest for Innovation, Customer References and Awards & Certifications.

SUBSIDIARIES

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 shareholder 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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

Six 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 & other employees and remuneration policy is annexed herewith as Annexure "A".

Vipul Jain

Mr. Vipul Jain stepped down as the Managing Director of the Company with effect from 30th September, 2015. At the 29th Annual General Meeting held on 30th September, 2015, Mr. Jain was appointed as Non-Executive Non-Independent Director of the Company.

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

Mr. Vipul Jain is 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. He took on the marketing responsibility for the Company since its inception in 1986. In 1992, he took on the responsibility of Managing Director. The setting up of the airlines line of business at Accelya Kale was his initiative.

Companies in which Mr. Vipul Jain is a Director						
Accelya Kale	Virtual Wizards					
Solutions Limited	Private Limited					
Kale Logistics	Fight Hunger					
Solutions Private Limited	Foundation (NGO)					
Baaya Ventures Limited						

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

The Board recommends the re-appointment of Mr. Vipul Jain as Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

Neela Bhattacherjee

Ms. Neela Bhattacherjee was appointed as an additional director by the Board of Directors on 5th August, 2015.

At the 29th Annual General Meeting held on 30th September, 2015, Ms. Bhattacherjee was appointed as Managing Director of the Company upto 30th June, 2018. Ms. Bhattacherjee is very capable and competent in handling the affairs of the Company. The Board is confident that under her able leadership, the Company will scale new heights.

Philippe Lesueur

Mr. Philippe Lesueur will be stepping down as the Chairman and Director of the Company effective from the close of business hours on 5th October, 2016.

The Board places on record its appreciation for the valuable contribution by Mr. Philippe Lesueur as Chairman and Director over the years.

John Johnston

Mr. John Johnston was appointed as an additional director by the Board of Directors on 14th August, 2015.

At the 29th Annual General Meeting held on 30th September, 2015, Mr. John Johnston was appointed as Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

Mr. John Johnston has been appointed as Chairman of the Board of Directors effective from 6th October, 2016.

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, 2016, 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, 2016 and of the profit of the Company for the year ended on that date:
- 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;
- 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
- 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 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) of the 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) & 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

Your Company has formulated Policy on Related Party Transactions, Policy for determining material subsidiaries, 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. transactions 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 SEBI Listing Regulations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of section 135 of the Act, your Company has constituted a Corporate Social Responsibility Committee ("CSR Committee"). The composition and terms of reference of the CSR 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.

No personnel of the Company has been denied access to the audit committee.

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.

The Company has not received any complaint of sexual harassment during the financial year 2015-16.

RISK MANAGEMENT

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

M/s. B S R & Co. LLP were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 25th September, 2014 for a term of two years.

The term of two years expires at the conclusion of the forthcoming Annual General Meeting.

M/s. B S R & Co. LLP have been the Auditors of the Company since 2010-11 and have completed a term of six years.

As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. It is, therefore, proposed to appoint M/s. B S R & Co. LLP as auditors of the Company for a period of 1 year to hold office from the conclusion of the ensuing AGM till the conclusion of the 31st AGM on a remuneration as may be fixed by the Board of Directors of the Company.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There is 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 C. S. Kelkar & Associates, Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit 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 LesueurNeela BhattacherjeeChairmanManaging Director(DIN: 03327819)(DIN: 01912483)

Place: Mumbai Date: 3rd August, 2016

Annexure 'A'

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

PARTA

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) (A) 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 percent 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 percent 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 percent 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 (1) 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.

Directors' Report

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 and Non-Executive Non-Independent Directors

a) Commission

Independent directors and non-executive non-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 and non-executive non-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 and non-executive non-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 and non-executive non-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 and non-executive non-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 and non-executive non-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 per cent 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;
- 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;
- vi) Affirmation that the remuneration is as per the remuneration policy of the Company

In the event of any clause in the "Policy on Appointment of Directors, Key Managerial Personnel, Senior Management & Other Employees and Remuneration Policy" undergoes a change as a result of any statutory amendment to any law referred therein, such clause shall automatically stand amended without referring to the Board.

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

The ratio of remuneration of each director to the median employee's remuneration, the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year 2015-16.

Sr.No.	Name of Director/ KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in remuneration
1	Neela Bhattacherjee	Managing Director	31:1	33%
2	Gurudas Shenoy	Chief Financial Officer	Not Applicable	20%
3	Ninad Umranikar	Company Secretary	Not Applicable	16%

One Non-Executive Director and all 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 Non-Executive Director and Independent Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for the Non-Executive Director and Independent Directors is therefore not considered for the purpose above.

- The percentage increase in the median remuneration of employees in the financial year 2015-16 was 9.96%.
- iii) The Company has 1,528 permanent employees on the rolls of the Company as on 30th June, 2016.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 9.8% whereas the increase in the managerial remuneration was 22.95%. The managerial position compensation has been increased due to market comparison and change in the role.
 - The remuneration paid to Ms. Neela Bhattacherjee has been increased to bring it in line with the remuneration package paid to similar senior level appointees by other companies as also due to the change in her role.
- 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 2015-16 [Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

Accelya Annual Report on Corporate Social Responsibility

Your Company believes in being an active socially responsible company and has been playing a major role in supporting the cause of orphaned children. This year too, CSR support was provided to Catalysts for Social Action (CSA), with a focus on improving standards of care provided at orphanages and furthering the cause of adoption.

CSA Introduction

CSA is a Not-For-Profit organization that has been in existence since 2002 and is 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 adoptions & believes that Adoption is the best form of rehabilitation for a child.

CSA continues to make a valuable difference to **3200+** children across **60+** child care institutions in **4** states that they support. Over **240+ adoptions** have been successfully facilitated by CSA.

I. Project SAMBHAV: In general, CCIs are barely able to provide basic needs - reasonable nutrition, facilities, hygiene and health-care. In addition, there are huge gaps in child development and overall rehabilitation. Poor education levels, no child counselling and care plan, life skills and communication levels are poor, there are very few vocational training facilities and linkage to job opportunities is almost non-existent.

Net result - Poor rehabilitation outcome and children are mostly left to fend for themselves after 18 years of age. This is mainly because of two reasons - lack of funding and lack of "know-how" and capabilities.

With project SAMBHAV, the goal is to provide children living in orphanages/CCIs access to good living conditions and facilities, proper health care, hygiene and sanitation, nutrition, education, optimal rehabilitation outcome for every child and build the capacity of CCIs. In this manner we will be helping build 'Model Child Care Institutions'.

This project is envisaged over a period of 3 years.

During Year 1, 10 CCIs/Orphanages & 833 children were covered under the ambit of this project across the States of Goa, Maharashtra & Odisha

The following activities were conducted as part of this project & impact areas are enlisted below:

- Ensure Basic Living Conditions are of minimum standards:
 - ✓ Health: Less than 20% health issues recorded and treated
 - ✓ Hygiene: Kits provided to children twice a year
 - ✓ Nutrition: **32**% children have shown improved BMI levels
 - ✓ Infrastructure improvements: Cleaner, better and safe living conditions
 - Education: 21 tutors in 10 CCI's. Average improvement shown in Language 16% & Math 13%
 - Education: Children do their home work and more engaged in the classroom at school (feedback from school)
 - ✓ An increase of 10% in all Life Skills competencies mentioned above was noted
 - ✓ Children seem to be more participative and enjoy life skills training.
 - ✓ Improved confidence levels and less conflicting incidences amongst peers
 - ✓ Children more aware of likes, dislikes, hobbies & behavioral reaction to situations
- Raising Standards of CCIs: Helped improve overall standards of CCIs by 19%

Directors' Report

II. Project CAP (Child Adoption Program): Over the years, the number of adoptions have remained stagnant, but the number of parents waiting to adopt are increasing (there is a huge demand supply issue).

A number of children residing at orphanages do not have parental contact & can potentially be placed with families through adoption. However, since they are in orphanages & not an adoption agency, a social investigation can be done & then these children can be declared legally free by authorized stakeholders, thereby, bringing a ray of hope for optimum rehabilitation in the form of adoption.

The overarching objective of this project is to determine & make 'Adoption' a viable option for children living in orphanages.

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

The following activities were undertaken as part of project CAP:

- · Making adoption an option to children in orphanages:
 - ✓ Identify children with no parental contact
 - ✓ Conduct social investigation through social workers
 - ✓ Submit reports to Child Welfare Committee (CWC) & follow up to make the child legally free
- Engage with adoption community and government:
 - ✓ Regular meetings with government
 - ✓ Conduct awareness sessions and workshops
- · Highlights of project CAP:
 - ✓ No. of CCIs from where data of children has been collected 137 in 4 states
 - ✓ No. of children assessed 7319
 - ✓ Children identified without Parental Contact 476
 - ✓ No. of Social Investigations done 123
 - ✓ No. of children for whom CWC has started the process to declare them legally free 74 children in Odisha. This is a HUGE achievement
- 2. Composition of the CSR Committee

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

			(₹ in million)			
3.	Average Net Profit of the Company for the last 3 financial years					
4.	Prescribed CSR expenditure					
5.	Details of CSR spent during the financial year 2015-16					
	a.	Total amount to be spent for the financial year	23.76			
	b.	Total amount spent during the year	23.80			
	C.	Amount unspent	NIL			

Manner in which the amount was spent during the financial year 2015-16 is detailed below:

Sr. 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 - SAMBHAV		Maharashtra, Goa & Odisha				CSA
	Health, Hygiene, Nutrition, Sanitation & Day to Day Essentials, Recreation	(i)		2.43	2.08	2.08	
	Infrastructure	(ii)		1.89	3.28	3.28	
	Education (School fees, uniforms, bags & books, tuition, lifeskills training)	(ii)		2.88	2.95	2.95	
	Vocation (training programs, exit preparation)	(ii)		0.69	0.28	0.28	
	CCI Capacity Building (CCI staff - caretakers etc., awareness & training programs)	(ii)		1.12	0.63	0.63	
	Module Development (Education continued and Vocation & Employment Linkages)	(ii)		1.30	1.30	1.30	
	CSA Field staff (Implementation & Monitoring)	(i) & (ii)		1.17	1.15	1.15	
	Travelling and Miscellaneous Expenses	(i) & (ii)		0.42	0.23	0.23	
	Total			11.90	11.90	11.90	
2	Project - Adoption	(iii)	Maharashtra, Goa, Odisha & MP	1.90	1.90	1.90	CSA
3	Corporate Expenses	(iii)		1.00	1.00	1.00	CSA
4	Corpus Fund to CSA	-		9.00	9.00	9.00	CSA
	Total			23.80	23.80	23.80	

Note (*):

- eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 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;

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**

Managing Director DIN: 02731854 DIN: 01912483

Place: Mumbai Date: 3 August, 2016 Neela Bhattacherjee

Annexure 'D'

Form No. MR-3 SECRETARIAL AUDIT REPORT

For the financial year ended on 30th June, 2016 [Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To, The Members, Accelya Kale Solutions Limited

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** ('the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year 1st July, 2015 to 30th June, 2016, ("the financial year") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 30th June, 2016, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent notified;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rule made thereunder;
- 3) The Depositories Act, 1996 and the Regulations & Bye-Laws framed thereunder;
- 4) 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.
- 5) The following Regulations & Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:
 - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guideline, 1999 and The Securities and Exchange Board of India (Share based Employee Benefits Regulations), 2014 (Not applicable for the year under review);
 - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - vi. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable for the year under review) and
 - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable for the year under review).

Other laws applicable specifically to the Company, namely:

1) Software Technology Parks of India - Rules & Regulations

2) Information Technology Act, 2000

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

- 1) Secretarial Standards issued by The Institute of Company Secretaries of India
- 2) The listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited
- 3) Provisions of the Memorandum and Articles of Association of the Company

During the period under review, in our opinion, Company has complied with the Company Law Provisions, MCA Regulations, SEBI Regulations, Depositories Regulations and FEMA regulations. There was a delayed filing of Annual Performance Report (APR) with the Reserve Bank of India (RBI).

We further report that

Based on the information provided by the Company and records maintained by the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee are properly constituted. The changes in the Directorships during the period under review were carried out in the compliances with the provisions of the Act.

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

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

We further report that during the audit period there were no events, namely:

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

We further report that during the audit period:

- i. A wholly owned subsidiary (WOS) of the Company in UK, namely Kale Revenue Assurance Services Ltd (KRAS) was voluntarily liquidated. Post this liquidation, Zero Octa UK Ltd, which was WOS of KRAS, has become direct subsidiary of the Company. The compliances in this regard were duly made.
- ii. Company had obtained approval from the Central Government to follow financial year July to June.

For C.S. Kelkar & Associates Company Secretaries

C S Kelkar Partner C. P. No. : 1891

Membership No.: 2784

Date: 14th July, 2016

Place: Pune

Annexure 'E'

FORM NO. MGT 9 **EXTRACT OF ANNUAL RETURN**

As on financial year ended 30th June, 2016

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

REGISTRATION AND OTHER DETAILS

CIN L74140PN1986PLC041033 1.

2. Registration Date 25 September, 1986

Accelya Kale Solutions Limited 3. Name of the Company

Category/Sub-category of the Company Public Company/Subsidiary of

Foreign Company limited by shares

5. Address of the Registered office and contact details Accelva Enclave, 685/2B and 2C,

1st Floor, Sharada Arcade, Satara Road,

Pune 411 037 Tel: 020-66083777

E-mail: accelyakale.investors@accelya.com

Website: www.accelyakale.com

Whether listed company

7. Name, Address and contact details of the M/s. Karvy Computershare Private Limited,

Registrar and Transfer Agent, if any. Unit: Accelya Kale Solutions Limited, Karvy Selenium Tower B, Plot 31-32,

Yes

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

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

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

	No. of Shares Held at the Beginning of the Year				No. of Shares Held at the End of the Year				
Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change During the Year
Promoter and Promoter Group									
Indian									
Individual/HUF	-	-	-	-	-	-	-	-	
Central Govt./State Govt(s)	-	-	-	-	_	-	-	-	
Bodies Corporate		_	-	_	-	-	-	_	
Financial Institutions/Banks	-	-	-	-	-	-	-	-	
Others	-	-	-	_		-	-	-	_
Sub-Total A(1) :		_	_	_	-		-		
oub-rotal A(1).				-			-		
Foreign									
Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	11,143,295	-	11,143,295	74.66	11,143,295	0	11,143,295	74.66	0.00
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Others			_		-	_		-	
Sub-Total A(2)	11,143,295	-	11,143,295	74.66	11,143,295	-	11,143,295	74.66	0.00
Total A=A(1)+A(2)	11,143,295		11,143,295	74.66	11,143,295	-	11,143,295	74.66	0.00
10001 A A(1)-A(2)	11,140,200		11,140,200	14.00	11,140,200		11,140,200	74.00	0.00
Public Shareholding									
Mutual Funds/UTI	404,202	-	404,202	2.71	605,411	-	605,411	4.06	1.35
Financial Institutions/Banks	7,808	400	8,208	0.05	7,869	400	8,269	0.06	0.01
Central Govt./State Govt(s)	-	-	-	-	-	-	-	-	- 0.01
Venture Capital Funds	_		-		_		-	-	
Insurance Companies									_
Foreign Institutional Investors	560,051	50	560,101	3.75	523,818	50	523,868	3.51	(0.24)
			300,101	3.75		-			(0.24)
Foreign Venture Capital Investors	-	-			-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	- 4 407 000	-	- 4 407 540	-	
Sub-Total B(1)	972,061	450	972,511	6.51	1,137,098	450	1,137,548	7.62	1.11
Non-Institutions									
Bodies Corporate	501,352	300	501,652	3.36	444,007	300	444,307	2.97	(0.39)
Individuals			-						, ,
(i) Individuals holding nominal share									
capital upto Rs.1 lakh	1,856,231	156,418	2,012,649	13.48	1,653,690	145,738	1,799,428	11.92	(1.56)
(ii) Individuals holding nominal share capital in excess of Rs.1 lakh Others	119,097	-	119,097	0.80	192,326	-	192,326	1.42	0.62
Foreign Nationals	11,082	7,500	18,582	0.12	17,632		17,632	0.12	(0.00)
Clearing Members	8,209	7,000	8,209	0.12	4,228		4,228	0.12	(0.00)
		8,022		1.01		8,022		1.25	0.02)
Non Resident Indians	141,988		150,010		178,370	0,022	186,392		
Trusts Ouglified Foreign Investor	256	-	256	-	1,105	-	1,105	0.01	0.01
Qualified Foreign Investor	-	-	-	-	-		-	-	-
Sub-Total B(2)	2,638,215	172,240	2,810,455	18.82	2,491,358	154,060	2,645,418	17.72	(1.10)
	_,,,,,,,,,,	,	_,,		_,,,,,,	, , , , ,	_,,	2	(3)
Total B=B(1)+B(2)	3,610,276	172,690	3,782,966	25.34	3,628,456	154,510	3,782,966	25.34	0.00
Total (A+B)	14,753,571	172,690	14,926,261	100.00	14,771,751	154,510	14,926,261	100.00	
Shares held by custodians, against which Depository Receipts have been issued (C)				-		-			-
GRAND TOTAL (A+B+C):	14,753,571	172,690	14,926,261	100.00	14,771,751	154,510	14,926,261	100.00	-

B) Shareholding of Promoter

		Shareholding at the beginning of the year			Sharehole			
Sr. No.	Shareholder's Name	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	% change in share- holding during the year
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 Shareholdi 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		ling at the of the year	Dates	Increase / Decrease in shareholding	Reason	Cumulative S During t	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	SBI Magnum Balanced Fund	354,777	2.38	30/06/2015			354,777	2.38
				03/07/2015	24,627	Purchase	379,404	2.54
				03/07/2015	(3,500)	Sale	375,904	2.52
				24/07/2015	(3,600)	Sale	372,304	2.49
				14/08/2015	23,380	Purchase	395,684	2.65
				21/08/2015	1,327	Purchase	397,011	2.66
				28/08/2015	20,775	Purchase	417,786	2.80
				04/09/2015	2,404	Purchase	420,190	2.82
				11/09/2015	33,567	Purchase	453,757	3.04
				02/10/2015	(8,850)	Sale	444,907	2.98
				09/10/2015	8,850	Purchase	453,757	3.04
				16/10/2015	25,921	Purchase	479,678	3.21
				16/10/2015	(23,771)	Sale	455,907	3.05
				04/12/2015	25,018	Purchase	480,925	3.22
				31/12/2015	47,469	Purchase	528,394	3.54
				29/01/2016	27,592	Purchase	555,986	3.72
				30/06/2016			555,986	3.72

VLS Finance Limited 296,900 1.99 300(6/2015 25,000 271	hareholding he Year
03/07/2015	% of total shares of the Company
14/08/2015 25,000 Purchase 25,900 30/09/2015 3,100 Purchase 25,900 30/09/2015 3,100 Purchase 29,000 30/09/2015 271,000 Purchase 300,000 300,000 30/09/2015 271,000 Purchase 300,000 300,000 30/09/2015 271,000 Purchase 20,687 10/07/2015 1,276 Purchase 205,687 10/07/2015 1,276 Purchase 208,683 24/07/2015 5,000 Purchase 213,863 14/08/2015 (20,775) Sale 193,088 24/07/2015 1,000 Purchase 213,863 14/08/2015 (20,775) Sale 193,088 28/08/2015 (3,500) Sale 173,688 119,908 28/08/2015 (3,500) Sale 173,688 119,908 28/08/2015 (3,500) Sale 173,688 119,908 20/09/2015 (3,500) Purchase 160,728 06/11/2015 2,000 Purchase 160,728 06/11/2015 2,000 Purchase 160,728 06/11/2015 2,000 Purchase 162,728 27/11/2015 2,000 Purchase 163,628 27/11/2015 2,000 Purchase 171,428 04/12/2015 1,400 Purchase 171,428 04/12/2015 2,200 Purchase 188,782 2201/2016 3,000 Sale 188,782 2201/2016 3,000 Sale 167,707 2201/2016 2,200/20	1.99
30/09/2015 3,100 Purchase 29,000 300,000	0.01
31/12/2015 271,000 Purchase 300,000	0.17
Second Premier Investment Fund Limited 231,563 1.55 30068/2015 30069/2015 30069/2015 30069/2015 30069/2015 300069/2015 300069/2015 300069/2015 300069/2015 300069/2015 300069/2016 300	0.19
3 Premier Investment Fund Limited 231,563 1.55 30/06/2015 (25,876) Sale 205,687 206,687 10/07/2015 1,276 Purchase 206,963 17/07/2015 1,900 Purchase 208,963 24/07/2015 5,000 Purchase 213,863 24/07/2015 5,000 Purchase 213,863 28/08/2015 (9,500) Sale 183,588 04/09/2015 (9,500) Sale 173,688 11/09/2015 (15,060) Sale 173,688 11/09/2015 (15,060) Sale 160,728 (0,778)	2.01
03/07/2015	2.01
10/07/2015	1.55
17/07/2015	1.38
24/07/2015 5,000 Purchase 213,863 14/08/2015 (20,775) Sale 193,088 28/08/2015 (9,500) Sale 183,588 04/09/2015 (15,060) Sale 173,688 11/109/2015 (15,060) Sale 173,688 11/109/2015 (2,000 Purchase 160,728 06/11/2015 2,000 Purchase 162,728 06/11/2015 2,000 Purchase 162,728 27/11/2015 2,800 Purchase 171,428 04/12/2015 1,400 Purchase 172,828 11/12/2015 2,2100 Purchase 172,828 11/12/2015 2,2100 Purchase 172,828 11/12/2015 2,2100 Purchase 174,928 04/12/2015 1,400 Purchase 174,928 08/01/2016 (5,146) Sale 189,782 15/01/2016 (5,146) Sale 189,782 15/01/2016 (3,000) Sale 188,782 22/01/2016 (3,000) Sale 161,707 22/04/2016 (2,582) Sale 161,707 22/04/2016 (2,582) Sale 158,094 06/05/2016 (2,582) Sale 158,094 06/05/2016 (3,300) Sale 155,737 20/05/2016 (3,000) Sale 155,737 20/05/2016 3,001 Purchase 155,928 27/05/2016 3,001 Purchase 162,809 03/06/2016 3,001 Purchase 162,809 03/06/2016 3,001 Purchase 165,900 17/06/2016 (6,830) Sale 159,070 24/06/2016 (4,535) Sale 154,535 30/06/2016 2,828 Purchase 118,765 20/05/2016 2,828 Purchase 118,756 20/05/2016 2,828 Purchase 118,756 20/05/2016 2,040 Purchase 120,796	1.39
14/08/2015	1.40
28/08/2015 (9,500) Sale 183,588 (173,688 140/92/2015 (9,900) Sale 173,688 110/92/2015 (9,900) Sale 173,688 110/92/2015 (15,060) Sale 158,628 30/10/2015 (2,100 Purchase 160,728 06/11/2015 2,000 Purchase 162,728 20/11/2015 5,900 Purchase 168,628 27/11/2015 5,900 Purchase 171,428 04/12/2015 1,400 Purchase 172,828 11/12/2015 (5,146) Sale 189,782 15/01/2016 (5,146) Sale 189,782 15/01/2016 (1,000) Sale 188,782 22/01/2016 (2,562) Sale 161,707 22/04/2016 (2,562) Sale 161,707 22/04/2016 (2,562) Sale 160,676 29/04/2016 (2,562) Sale 158,094 06/05/2016 133 Purchase 158,094 06/05/2016 (2,490) Sale 155,737 20/05/2016 (3,091 Purchase 155,928 70/05/2016 (3,091 Purchase 156,900 03/06/2016 (4,535) Sale 154,535 30/06/2016 (4,535) Sale 154,535	1.43
04/09/2015	1.29
11/09/2015	1.23
30/10/2015 2,100	1.16
06/11/2015	1.06
20/11/2015 5,900 Purchase 168,628 27/11/2015 2,800 Purchase 171,428 171,428 04/12/2015 1,400 Purchase 172,828 11/12/2015 22,100 Purchase 194,928 08/01/2016 (5,146) Sale 189,782 15/01/2016 (1,000) Sale 188,782 22/01/2016 380 Purchase 189,162 29/01/2016 (27,455) Sale 161,707 22/04/2016 (27,455) Sale 160,676 29/04/2016 (2,582) Sale 158,094 06/05/2016 133 Purchase 158,227 13/05/2016 (2,490) Sale 155,737 20/05/2016 191 Purchase 155,928 27/05/2016 6,881 Purchase 162,809 03/06/2016 3,091 Purchase 165,900 17/06/2016 (6,830) Sale 159,070 24/06/2016 (4,535) Sale 154,535 30/06/2016 30/06/2016 184,535 30/06/2016 184,535 31/05/2016 2,828 Purchase 118,756 20/05/2016 2,828 Purchase 118,756 20/05/2016 2,040 Purchase 120,796 120,	1.08
27/11/2015	1.09
04/12/2015	1.13
11/12/2015 22,100 Purchase 194,928	1.15
08/01/2016	1.16
15/01/2016	1.31
22/01/2016 380	1.27
29/01/2016	1.26
22/04/2016	1.27
29/04/2016	1.08
06/05/2016	1.08
13/05/2016	1.06
20/05/2016 191	1.06
27/05/2016 6,881 Purchase 162,809 03/06/2016 3,091 Purchase 165,900 17/06/2016 (6,830) Sale 159,070 24/06/2016 (4,535) Sale 154,535 30/06/2016 154,535 4 Valuequest India Moat Fund Limited 115,928 0.78 30/06/2015 115,928 13/05/2016 2,828 Purchase 118,756 20/05/2016 2,040 Purchase 120,796	1.04
03/06/2016 3,091 Purchase 165,900 17/06/2016 (6,830) Sale 159,070 24/06/2016 (4,535) Sale 154,535 24/06/2016 (4,535) Sale 154,535 30/06/2016 154,535 4 Valuequest India Moat Fund Limited 115,928 0.78 30/06/2015 115,928 13/05/2016 2,828 Purchase 118,756 20/05/2016 2,040 Purchase 120,796	1.04
17/06/2016 (6,830) Sale 159,070	1.09
24/06/2016	1.11
30/06/2016 154,535	1.07
4 Valuequest India Moat Fund Limited 115,928 0.78 30/06/2015 115,928 115,928 116,756 20/05/2016 2,040 Purchase 120,796	1.04 1.04
13/05/2016 2,828 Purchase 118,756 20/05/2016 2,040 Purchase 120,796	0.78
20/05/2016 2,040 Purchase 120,796	0.76
	0.81
	0.01
10/06/2016 2,671 Purchase 142,927	0.94
24/06/2016 2,316 Purchase 145,243	0.97
30/06/2016 2,600 Purchase 147,843	0.99
30/06/2016 2,000 Fulcilase 147,043 30/06/2016 147,843	0.99
5 Somerset Emerging Markets Small Cap Fund LLC 87,231 0.58 30/06/2015 87,231	0.58
03/07/2015 9,712 Purchase 96,943	0.65
10/07/2015 2,657 Purchase 99,600	0.67
17/07/2015 4,084 Purchase 103,684	0.69
24/07/2015 2,718 Purchase 106,402	0.71
31/07/2015 5,176 Purchase 111,578	0.75
14/08/2015 8,970 Purchase 120,548	0.81
30/06/2016 120,548	0.81

Directors' Report

Sr. No.	Name		ding at the of the year	Dates	Increase / Decrease in shareholding	Reason	Cumulative S During (Shareholding the Year
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
6	Eicher Goodearth Private Limited	46,600	0.31	30/06/2015			46,600	0.31
				31/12/2015	(46,600)	Sale	0.00	0.00
				30/06/2016			0.00	0.00
7	Sundaram Mutual Fund A/C Sundaram	32,093	0.22	30/06/2015			32,093	0.22
	Select Micro Cap			30/06/2016			32,093	0.22
8	SBI Pipe Fund - 1	0	0.00	30/06/2015			0.00	0.00
				08/01/2016	7,829	Purchase	7,829	0.05
				15/01/2016	3,491	Purchase	11,320	0.08
				22/01/2016	4,583	Purchase	15,903	0.11
				29/01/2016	217	Purchase	16,120	0.11
				19/02/2016	3	Purchase	16,123	0.11
				04/03/2016 18/03/2016	374	Purchase Purchase	16,497	0.11
				25/03/2016	2,231 400	Purchase	18,728 19,128	0.13
				31/03/2016	1,674	Purchase	20,802	0.13
				08/04/2016	1,200	Purchase	22,002	0.14
				30/06/2016	1,200	Fulcilase	22,002	0.15
9	National Westminster Bank Plc. As	14,473	0.10	30/06/2015			14,473	0.10
J	Depositary of PFS	14,470	0.10	03/07/2015	1,612	Purchase	16,085	0.10
	Depositary of 110			10/07/2015	340	Purchase	16,425	0.11
				17/07/2015	697	Purchase	17,122	0.11
				24/07/2015	463	Purchase	17,122	0.12
				31/07/2015	885	Purchase	18,470	0.12
				14/08/2015	1,534	Purchase	20,004	0.12
				30/06/2016	1,001	7 01011000	20,004	0.13
10	Nimis Sheth	8,000	0.05	30/06/2015			8,000	0.05
10	Trainic Gricui	0,000	0.00	07/08/2015	4,453	Purchase	12,453	0.08
				14/08/2015	47	Purchase	12,500	0.08
				28/08/2015	1,350	Purchase	13,850	0.09
				16/10/2015	1,350	Purchase	15,200	0.10
				04/12/2015	450	Purchase	15,650	0.10
				11/12/2015	450	Purchase	16,100	0.11
				18/12/2015	1,530	Purchase	17,630	0.12
				25/12/2015	90	Purchase	17,720	0.12
				10/06/2016	1,920	Purchase	19,640	0.13
				17/06/2016	60	Purchase	19,700	0.13
				30/06/2016			19,700	0.13
11	Church Commissioners For England Re Somerset	13,915	0.09	30/06/2015			13,915	0.09
				03/07/2015	1,552	Purchase	15,467	0.10
				10/07/2015	327	Purchase	15,794	0.11
				17/07/2015	670	Purchase	16,464	0.11
				24/07/2015	447	Purchase	16,911	0.11
				31/07/2015	853	Purchase	17,764	0.12
				14/08/2015	1,482	Purchase	19,246	0.13
				30/06/2016			19,246	0.13
12	Hemant Chaudhry	17,649	0.12	30/06/2015			17,649	0.12
				12/02/2016	(234)	Sale	17,415	0.12
				26/02/2016	34	Purchase	17,449	0.12
				04/03/2016	(50)	Sale	17,399	0.12
				18/03/2016	50	Purchase	17,449	0.12
				30/06/2016			17,449	0.12
13	Mawer Investment Management Ltd.	17,599	0.12	30/06/2015			17,599	0.12
	A/c Mawer Global			04/12/2015	(17,599)	Sale	0.00	0.00
				30/06/2016			0.00	0.00
14	Rangan Bhaumik	15,083	0.10	30/06/2015			15,083	0.10
				30/06/2016			15,083	0.10

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Director		olding at the Share purchased / (sold) ng of the year during the year			Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Philippe Lesueur	-	-	-	-	-	-
2	John Johnston	-	-	-	-	-	-
3	Neela Bhattacherjee	2,089	0.01	-	-	2,089	0.01
4	Vipul Jain	-	-	-	-	-	-
5	K. K. Nohria	-	-	-	-	-	-
6	Sekhar Natarajan	-	-	-	-	-	-
7	Nani Javeri	-	-	-	-	-	-
8	Sangeeta Singh	-	-	-	-	-	

Sr. No.	Name of Key Managerial Personnel		holding at the ing of the year	Share purchased / (sold) during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1 2	Gurudas Shenoy - Chief Financial Officer Ninad Umranikar -	2,165 4,595	0.01 0.01	-	-	2,165 4,595	0.01 0.01
2		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.)

	emuneration to managing birector, whole-time	Amount in ns.)		
Sr. No.	Particulars of Remuneration	Vipul Jain	Neela Bhattacherjee	Total
NO.		CEO & MD (Upto 30 Sep, 2015)	Whole-time Director from 5 Aug 2015 to 30 Sep, 2015 & MD from 1 Oct, 2015	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961(b) Value of perquisites u/s 17(2)	4,629,603	7,334,781	11,964,384
	Income-tax Act, 1961	9,900	35,874	45,774
	(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			
	Fuel and Maintenance	-	137,442	137,442
	Driver Salary	125,244	175,500	300,744
	Insurance	9,615	33,360	42,975
	Telephone	11,288	-	11,288
	Medical Allowance	214,650	108,710	323,360
	Contribution to Provident Fund	309,096	434,839	743,935
	Leave Travel Allowance	100,000	80,000	180,000
	Incentive	11,900,000	1,759,000	13,659,000
	Total	17,309,396	10,099,506	27,408,902

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	John Johnston	Vipul Jain (from 1 Oct 2015)	
			Independ	lent Directo	ors	Non-E	xecutive Dir	,	
1	Fee for attending board & committee meetings	500,000	450,000	575,000	600,000	-	-	75,000	2,200,000
2	Commission	100,000	100,000	100,000	100,000	-	-	100,000	500,000
3	Others, please specify	-	-	-	-	-	-	-	-
	Total	600,000	550,000	675,000	700,000	-	-	175,000	2,700,000

C. Remuneration to Key Managerial Personnel Other Than Managing Director / Manager / Whole-time Director (Amount in Rs.)

Sr.	Particulars of Remuneration	Ke	ey Managerial Pe	ersonnel
No.		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,864,660	5,948,850	8,813,510
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	39,600	39,600
	(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			
	- Insurance	16,918	21,814	38,732
	- Gratuity	23,852	57,692	81,544
	- Gift Card	5,000	5,000	10,000
	Contribution to Provident Fund	59,533	144,000	203,533
	Leave Travel Allowance	80,000	80,000	160,000
	Total	3,049,963	6,296,956	9,346,919

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)

Neela Bhattacherjee Managing Director (DIN: 01912483)

Place : Mumbai

Date: 3rd August, 2016

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 2015-16 was Rs. 12.25 million.

Foreign exchange earning and outgo

The details of foreign exchange earnings and outgo are given in Note Nos. 31 to 33 of the "Notes to Financial Statements".

For and on behalf of the Board of Directors

Philippe Lesueur Chairman (DIN: 03327819)

Neela Bhattacherjee **Managing Director** (DIN: 01912483)

Place: Mumbai

Date: 3rd August, 2016

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 30th June, 2016, the Company has eight directors consisting of a non-Executive Chairman, one Managing Director, four independent directors and two non-executive non-independent directors.

Board Meetings

Six Board Meetings were held during the financial year 2015-16.

Name of Director	Designation	Category	Directorships / Board Committees (Nun		s (Number)
			Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Philippe Lesueur	Chairman	Non-Executive	5	2	-
Ms. Neela Bhattacherjee	Managing Director	Executive	-	1	-
Mr. Vipul Jain	Director	Non-Executive	4	-	-
Mr. K. K. Nohria	Director	Independent and Non-Executive	17	7	1
Mr. Sekhar Natarajan	Director	Independent and Non-Executive	2	4	5
Mr. Nani Javeri	Director	Independent and Non-Executive	7	8	6
Ms. Sangeeta Singh	Director	Independent and Non-Executive	5	4	2
Mr. John Johnston	Director	Non-Executive	5	1	-

Dates of Board Meetings

• 5 th August, 2015	• 14 th August, 2015	• 30th September, 2015	• 4th November, 2015	
• 3 rd February, 2016	• 4 th May, 2016			

Attendance at Board Meetings and Last Annual General Meeting

Name of Director	No. of Board Meetings Attended	Attendance at AGM held on 30 September, 2015
Mr. Philippe Lesueur	5	Yes
Mr. John Johnston	4	Yes
Ms. Neela Bhattacherjee	5	Yes
Mr. Vipul Jain	6	Yes
Mr. K. K. Nohria	5	No
Mr. Sekhar Natarajan	6	Yes
Mr. Nani Javeri	5	No
Ms. Sangeeta Singh	6	Yes

Annexure to Directors' Report

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 & 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 & 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 ten committees or acts as a Chairman of more than five committees across all companies in which he/she is a Director.

Composition of Committees

i) Audit Committee

Six meetings of the Committee were held during the financial year 2015-16.

Name of Director	Category	No. of Meetings Attended
Mr. Sekhar Natarajan(*)	Independent Director	6
Mr. K. K. Nohria	Independent Director	5
Mr. Nani Javeri	Independent Director	6
Ms. Sangeeta Singh	Independent Director	6

^(*) 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;
- 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;
- 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 2015-16.

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

^(*) Chairman of the Committee

Annexure to Directors' Report

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

Two meetings of the Committee was held during the financial year 2015-16.

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

^(*) Chairman of the Committee

Terms of Reference

- i) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- ii) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- iii) while formulating the policy under (ii) above, ensure that-
- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

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 was Managing Director till 30th September, 2015. He was paid Rs. 17,309,396 as remuneration for the period from 1st July, 2015 to 30th September, 2015. This includes one-time special bonus of Rs. 10,000,000 (Rupees Ten Million only) as a gesture of appreciation for his contribution to the Company's growth over the years.

Ms. Neela Bhattacherjee was appointed as an Additional Director (Executive Director) on 5th August, 2015. She took over as Managing Director with effect from 1st October, 2015. Ms. Bhattacherjee was paid Rs. 10,099,506 as remuneration for the period from 5th August, 2015 to 30th June, 2016.

The remuneration payable to Ms. Neela Bhattacherjee may be revised from time to time, during her tenure as managing director, subject to such consents, sanctions as may be necessary for such revision in remuneration.

Stock Options

Neither Mr. Vipul Jain nor Ms. Neela Bhattacherjee were granted any stock options during the year.

Service Contract, Notice Period and Severance Fees

Ms. Neela Bhattacherjee has been appointed as Managing Director for a period upto 30th June, 2018. Ms. Bhattacherjee may resign by giving 3 months' notice in writing to the Company without any severance fees.

Remuneration to Non-Executive Directors

Commission - Rs. 500,000/-

Sitting Fees - Rs. 2,200,000/-

Commission of Rs. 100,000/- is paid to each independent director and non-executive director (other than Mr. John Johnston and Mr. Philippe Lesueur) subject to a maximum of 1% of the net profit of the Company. A sum of Rs. 25,000/- is paid to each independent director and non-executive director (other than Mr. John Johnston and Mr. Philippe Lesueur) 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 30th June, 2016, 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 Dir	
Ms. Neela Bhattacherjee	Managing Director
Mr. Gurudas Shenoy	Chief Financial Officer
Mr. Ninad Umranikar	Company Secretary

26 meetings of the Committee were held during the financial year 2015-16.

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

Four meetings of the Committee were held during the financial year 2015-16.

Name of Director	Category	No. of Meetings Attended
Mr. Nani Javeri (*)	Independent Director	4
Mr. Philippe Lesueur	Non-Executive Director	4
Ms. Sangeeta Singh	Independent Director	4
Mr. John Johnston	Non-Executive Director	1

^(*) Chairman of the Committee

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

Annexure to Directors' Report

vi) Risk Management Committee

Two meetings of the Committee were held during the financial year 2015-16.

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

^(*) Chairman of the Committee

Terms of reference

- a) Annually review and approve the Risk Management Policy and associated frameworks, policies and practices of the Company.
- b) Evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.
- c) Access to any internal information necessary to fulfill its oversight role.
- d) 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.

Pursuant to the requirement of Regulation 30 of SEBI Listing Regulations, the Company would like to inform that the Company has not entered into any agreement(s) with media companies and / or their associates which has resulted / will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable.

Separate meeting of Independent Directors

The Independent Directors met once during the year 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 & 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 SEBI Listing Regulations. 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.
- Risk Management Committee: The Board has formulated a Risk Management Committee.
- Disclosure of commodity price risk and commodity hedging activities: The Company is not dealing in commodities and hence disclosure relating to commodity price risk and commodity hedging activities is not required.

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 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 28th Annual General Meeting held on 25 September, 2014

Year 2015 Annual General Meeting dated 30 September, 2015 – at Mahratta Chambers of Commerce, Industries and Agriculture, Pune- 411 002 at 12 noon.

Payment of commission to non-executive (including independent) Directors

DECLARATION

Pursuant to Regulation 26(3) of SEBI Listing Regulations, I hereby declare that all Board members and senior management personnel have affirmed compliance with the code of conduct.

Neela Bhattacherjee Managing Director (DIN: 01912483)

Annexure to Directors' Report

Certificate of Corporate Governance

To the Members of Accelya Kale Solutions Limited

I have examined the compliance of conditions of Corporate Governance by Accelya Kale Solutions Limited for the financial year ended 30th June, 2016, as stipulated in Clause E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations").

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 Regulations.

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: 3rd August, 2016

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, Accelva 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 fixedprice, 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:

2015 was a positive year for the airline industry with equity owners getting above the cost of capital returns for the first time in the last decade. This was largely due to fall in fuel prices coupled with process efficiencies and improved capacity planning. According to the International Air Transport Association (IATA) the same trend is expected to continue in 2016. IATA has made the following forecasts for the airline industry in 2016:

- Airline industry is expected to transport approximately 3.8 billion passengers and 53 million metric tons of cargo in 2016. This is 6.2% passenger growth and 2.1% cargo growth over 2015 figures.
- The airline industry revenue is expected to be \$709 billion with profit of \$39.4 billion; this is 5.6% net profit margin- the best performance in the last decade.
- Put another way, airlines are expected to make a profit on average of \$10.4 for every passenger carried in 2016 as compared to \$9.9 in 2015.

Though air travel is booming, air cargo is not growing as fast as passenger volumes due to low growth in international trade. Overall 2016 promises further strengthening in airline profitability.

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 in financial and commercial solutions to airlines".

Accelya helps 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 intelligence.

Accelya's commercial solutions help airlines steer sales and strengthen their business relationship with travel agents. It provides insights on airline sales performance, agent performance, route performance and instantly identifies potential for growth. It also helps airlines manage agent incentive program for higher agent satisfaction.

Backed by solid data, Accelya's analytics and consulting solutions enable airlines to take informed decisions by forecasting market trends, identifying revenue opportunities and optimising costs.

Accelya's pay-per-use business model further helps airlines avoid upfront capital investments and releases cash flow for other priorities. It also provides Accelya Group annuity revenue streams ensuring forward revenue visibility.

ACCELYA KALE UPDATES:

From 30th September 2015, Ms Neela Bhattacherjee took over as Managing Director of Accelya Kale. She succeeded Mr. Vipul Jain who continues to be on the Accelya Kale Board as Non-Executive Director.

The Company added a number of leading global airlines to its customer list as well as renewed its relationship with IATA.

- LATAM Airlines Group, the largest airline group in Latin America, selected REVERA® PRA to standardize the passenger revenue accounting processes across the airlines that are part of LATAM Airlines Group
- Brussels Airlines selected FinesseCost[™] to efficiently manage their Direct Operating Cost (DOC)
- International Air Transport Association (IATA) renewed the contract with Accelya Kale for managing its Simplified Invoicing and Settlement (SIS e-invoicing) platform

Management Discussion and Analysis

- Accelya Kale continued its focus on innovation, increased productivity and quality by launching new initiatives to connect with customers as well as new solutions.
- Following the success of REVERA User Meet and REVERA SPG Board, Accelya Kale launched REVERA online community to further strengthen its engagement with REVERA customers.
- Accelya Kale introduced Analytics and Consulting to help airlines identify opportunities for revenue and cost optimisation.

Accelya Kale is committed to greener world and has taken steps in this direction. Key initiatives undertaken include water conservation, energy conservation, reduction in food wastage and waste management.

For second year in row, Accelya featured in the International Association of Outsourcing Professionals (IAOP) Global Outsourcing 100 List, a list of the leading outsourcing firms in the World. Accelya was rated highest for Innovation, Customer References and Awards & Certifications.

ACCELYA KALE'S MAJOR OFFERINGS:

REVERA®- Revenue Accounting Solution: Accelya Kale has more than 25 years of experience in revenue accounting and helps airlines process over 527 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 pioneered the concept of platform based BPO for the airline industry. 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.

FinesseCost[™] – Cost Management Solution: It helps airlines efficiently manage their Direct Operating Costs (DOC). It streamlines the payables process by automatically processing invoices from various DOC vendors such as airports, ATC and fuel companies.

FinesseMBS™ – Miscellaneous Billing Solution: It is a SIS-compliant miscellaneous (non-transport) billing solution that streamlines miscellaneous receivables and payables.

FinesseFPS[™] – Flight Profitability Solution: It is a multidimensional analytical tool which accurately assigns, measures and analyses costs and revenues at a flight level to report 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.

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 Invoicing and Settlement (SIS).

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

Accelya Kale's NFP (Neutral Fare Proration) engine APEX[®] (jointly offered with ATPCO) is the backbone of the First & Final™ Billing service offered by IATA.

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. 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.945.59 million to Rs.949.64 million during the year 2015-16.

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, 2016 amount to Rs.234.70 million. The Board has recommended a final dividend of Rs.30 per share for the financial year 2015-2016 at the Board Meeting held on 3rd August, 2016. Accordingly, a provision for dividend (including dividend tax) to the tune of Rs. 538.95 million has been made.

As at 30th June, 2016, Accelya Kale's book value per share increased to Rs.63.62 per share as compared to Rs.63.35 per share as at 30th June, 2015.

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.

Investment

Accelya Kale's Investments at cost, as at 30th June, 2016 stands at Rs.474.15 million. There is no change to this balance in the current year.

Fixed Assets

Product Development

During the period product development cost amounting to Rs.12.35 million has been capitalised as intangible assets.

Other Fixed Assets

Accelya Kale added Rs.181.44 million to the gross block comprising of Rs.88.48 million in Plant and Machinery,

Rs.84.04 million in purchase of Software, and the balance Rs.8.92 million in other assets.

Sale/Disposal of Assets

During the year Accelya Kale sold/disposed of assets with a Gross Book value of Rs.16.34 million and a depreciated Net Value of Rs.15.02 million. The sold assets included old plant & machinery, furniture and vehicles.

Accelya Kale's Gross Block as at June 30, 2016 stood at Rs.1,343.59 million as compared to Rs.1,166.14 million as at June 30, 2015. The corresponding Net Block as at June 30, 2016 is Rs.350.24 million as compared to Rs.290.54 million as at June 30, 2015.

Trade Receivables

Accelya Kale's Net Receivables as at June 30, 2016 amounted to Rs.363.71 million as compared to Rs.309.65 million as at June 30, 2015. 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 2016 stands at Rs.5.97 million compared to Rs.11.69 million as at 30th June, 2015.

Trade receivables as a percentage of total revenue is 11.74% as at 30th June 2016 as against 11.37% as at 30th June. 2015.

Non-current Liabilities

As at 30th June, 2016 Accelya Kale's non-current liabilities amount to Rs.65.53 million as compared to Rs.63.87 million as at 30th June, 2015.

Current Liabilities

As at 30th June, 2016 Accelya Kale's current liabilities amount to Rs.927.79 million as compared to Rs.864.36 million as at 30th June, 2015.

Result of Operations

Sale of services

For the year ended 30th June, 2016, Accelya Kale recorded operating income of Rs.3,095.47 million.

Operating Profit

Accelya Kale reported profit before exceptional items and tax of Rs.1,232.69 million for the year ended 30th June, 2016.

Profit after Tax

Accelva Kale recorded a PAT of Rs.806.91 million for the vear ended 30th June. 2016.

Dividend

Accelya Kale had declared and paid an interim dividend of Rs.15 per share amounting to Rs.263.91 million (including Dividend Tax Rs.40.02 million).

Accelva Kale recommended a final dividend of Rs.30 per share amounting to Rs.538.95 million (including Dividend Tax Rs.91.16 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	92.88
Additions	12.35
Deletions (Net)	30.92
Closing Net Block	74.31

RISKS, CONCERNS AND RISK MITIGATION:

Increasing competition

New providers and existing technology vendors are foraying into the airline IT and finance domain. At Accelya Kale, we are constantly investing in our people, solutions and processes to ensure maximum value to our customers. Our 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 customer base spread globally. 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. Accelya Kale has

employees of different nationalities which helps in mitigating this risk to certain 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

Accelva 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 Accelva Kale.

Human Capital

At Accelva Kale we have put people at the center of all our strategic efforts while remaining loval to organisational objectives and values through a management model that brings together human resources management principles and policies, defines development processes and systems, creates the mechanisms to bolster these processes and seeks rigor in and the continuous improvement of the model through meticulous tracking of important people metrics.

Some of these key metrics are shared below

Gender Diversity

Male	Female
63%	37%

Education Qualification and Skills

Post Graduates	Engineering/ Other Graduates	IATA Certified/ Diploma holders	Under- graduates
51%	21%	22%	6%

Total Experience

Less than 2 years	2-5 years	5-10 years	More than 10 years
35%	26%	25%	14%

For the last financial year, the noteworthy programs and initiatives for the past year are summarised below:

Leadership Capability Building

We subscribe to the philosophy that leadership is not something that happens without effort. It is a choice and a series of capabilities that improve with knowledge, practice and focus. Thus, we have created leadership development programs that equip our leaders with the skills, knowledge and ability to lead teams effectively and deliver incremental results.

Since developing leadership capabilities is one of our critical focus areas. Towards this aim we introduced a **360 degree feedback process** for leaders in grades V1 and V2. A 360 degree feedback means feedback from all stakeholders who a leader interacts with, i.e. his/her supervisor, subordinates and peers. Leaders were given feedback on 9 leadership competencies and a feedback report was shared with each of them. An external coach was engaged to help the leaders interpret the reports and identify development plans. Leaders are now working on implementing their plans and significantly enhance their leadership skills.

Providing Variety of Learning Opportunities:

Providing learning opportunities to enable employees to deliver beyond expectations is another one of our strategic drivers. We offer comprehensive developmental offerings ranging from domain, technical, behavioural and leadership development.

This year we offered 63 trainings across technology, soft skills and leadership development. 522 of employees attended at least one or more of these trainings through the year. Development is offered through a variety of formats through classroom trainings, online learnings, collaborative discussions, mentoring etc. With the wide variety and scope of development options being offered, employees are focused on their learning and contributing to their roles in an incremental manner.

Employee Engagement & Retention:

At Accelya Kale, we have a holistic framework around which our employee retention & engagement practices are designed. The framework covers the entire lifecycle of an employee and caters to all aspects of employee needs

The starting point for us is even before an employee joins our organisation. A number of programs are designed to create a powerful employer brand that attracts the best talent in the marketplace. We ensure any new employee is effectively inducted in the Company. A detailed onboarding program is followed to assimilate the employee into the organisation, its policies, culture etc. Enabling the employee to understand his/her work through in depth product and domain training, ensuring the employee is aware of what is expected of him/her through effective KRA setting, enabling their transition to a new workplace through regular meet ups with HR are some of the things that are done to ensure the first critical 90 day period of any new employee is managed well.

A variety of programs are developed and offered that ensure regular employee communication is done to create engagement and alignment with company goals and progress, a culture of recognition is created through formal and informal awards programs, an environment of fun and camaraderie is created through Sport and fun events and many other engagement programs. This year under our Health, Wealth & Happiness Initiative that was launched this year named "Fit Kara De challenge" received extremely positive feedback, This initiative focused on motivating employees to become healthy and coming close to their ideal BMI. The program got a great response from employees which helped our workforce become healthier and more engaged.

To measure impact of all our retention & engagement initiatives, we run a yearly employee engagement survey through which employees share their level of engagement on a variety of factors. This feedback is critical for us and helps us focus our efforts in the areas that impact employees the most and help us build an engaged workforce that is productive and loyal.

Gender Inclusivity and Women Leadership Development:

Under our Diversity & Inclusion initiative, we successfully concluded a program on International Women's day during which our Managing Director, Ms. Neela Bhattacherjee, interacted with women employees across levels. Participating women got to ask queries, learn from our MD's experiences and were motivated to overcome hurdles for their own advancement in the organisation. We have also successfully rolled out a yearly calendar to strengthen Gender Inclusivity and create more women leaders internally. The objective is to have more women participation in the workforce and have a leadership pipeline with a strong representation from women.

Auditor's Report

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 2016, the Statement of Profit and Loss, Cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 30 June 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, 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 sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid standalone financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash flow statement dealt by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors of the Company as on 30 June 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 30 June 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) 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 on 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BSR&Co.LLP

Chartered Accountants

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

Bhavesh Dhupelia

Partner

Membership No: 042070

Place: Mumbai

Date: 3 August, 2016

Annexure A to the Independent Auditor's Report - 30 June 2016

(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.
 - (c) In our opinion and according to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (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 any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of paragraph 3(iii) of the said Order are not applicable to the Company.
- (iv) The Company has not granted any loan, investment, guarantee and security to parties covered under Section 185 and 186 of the Act. Thus, paragraph 3(iv) of the Order is not applicable to the Company.
- (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, wealth tax, professional tax, sales-tax, service tax, 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 duty of excise.
 - 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, Cess, professional tax and other material statutory dues were in arrears as at 30 June 2016 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, the following dues of sales tax have not been deposited by the Company on account of dispute:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is Pending
Sales Tax, (Appeals)	Disallowance of Software services and maintenance of software	7,120,739	2001-02	Asst. Commissioner

(viii) The Company does not have any loans or borrowings from any financial institution, banks, Government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) (ix) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its

officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the

Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi

company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the

Company, transactions with the related parties are in compliance with Section 177 and Section 188 of the Act

where applicable and details of such transactions have been disclosed in the financial statements as required

by the applicable accounting standards.

According to the information and explanations given to us and based on our examination of the records of the (xiv)

Company, the Company has not made any preferential allotment or private placement of shares or fully or partly

convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

According to the information and explanations given to us and based on our examination of the records of the (xv) Company, the Company has not entered into non-cash transactions with directors or persons connected with

him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. (xvi)

Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For BSR&Co.LLP

Chartered Accountants

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

Place: Mumbai

Date: 3 August, 2016

Partner

Membership No: 042070

Bhavesh Dhupelia

Annexure B to the Independent Auditor's Report - 30 June 2016

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Accelya Kale Solutions Limited ("the Company") as of 30 June 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance

regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to explanation given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 30 June 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

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

Bhavesh Dhupelia

Partner

Membership No: 042070

Place: Mumbai

Date: 3 August, 2016

Financial statements

Balance sheet as at 30 June 2016	Note	30 June 2016 ₹	30 June 2015 ₹
EQUITY AND LIABILITIES Shareholder's funds			
Share capital	3	149,268,660	149,268,660
Reserves and surplus	4	800,376,089	796,322,667
Non-account liabilities		949,644,749	945,591,327
Non-current liabilities Other long-term liabilities	5	16,470,452	16,044,970
Long-term provisions	6	49,062,697	47,828,633
2511g total providente ammanantamentamentamentamentamentamentam	· ·	65,533,149	63,873,603
Current liabilities		, ,	, ,
Trade payables	_		
- Dues of micro and small enterprises	7	-	-
- Dues of creditors other than micro and small enterprises	7	89,065,217	107,562,016
Other current liabilities	8	80,058,092	123,454,144
Short-term provisions	9	758,663,264	633,348,253
Chart torm providend	o	927,786,573	864,364,413
TOTAL		1,942,964,471	1,873,829,343
ACCETC			
ASSETS Non-current assets			
Fixed assets			
Tangible fixed assets	10	186,715,307	173,528,165
Intangible fixed assets	11	163,527,502	117,014,792
Capital work-in-progress	10	429,270	181,760
Intangible assets under development	11	125,000	217,957
Non-current investments	12	474,154,544	474,154,544
Deferred tax assets (net)	13	34,414,350	31,635,206
Long-term loans and advances	14	93,257,795	90,537,198
Other non-current assets	15	<u>11,555,798</u> 964,179,566	483,035 887,752,657
Current assets		904,179,300	007,732,037
Current investments	16	241,338,977	373,038,928
Trade receivables	17	363,710,388	309,651,015
Cash and bank balances	18	38,428,697	52,532,156
Short-term loans and advances	19	78,802,616	56,841,284
Other current assets	20	256,504,227	194,013,303
TOTAL		978,784,905	986,076,686
TOTAL		1,942,964,471	1,873,829,343
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

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

Philippe Lesueur Chairman DIN: 03327819

Gurudas Shenoy Chief Financial Officer

Neela Bhattacherjee Managing Director DIN: 01912483

Ninad Umranikar Company Secretary ACS 14201

Place: Mumbai Date: 3 August, 2016

Place : Mumbai Date: 3 August, 2016

Statement of profit & loss for the year ended 30 June 2016	Note	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
Revenue			
Sale of software services and products	21	3,097,152,046	2,722,763,356
Other income	22	98,932,388	148,625,692
Total revenue		3,196,084,434	2,871,389,048
Expenses			
Employee benefit expenses	23	1,307,149,592	1,188,305,572
Finance costs	24	6,010,776	4,269,704
Depreciation and amortization expenses	25	132,765,957	132,915,058
Other expenses	26	529,717,261	542,015,288
Less: Product development cost capitalised	27	(12,252,965)	(18,640,281)
Total expenses		1,963,390,621	1,848,865,341
Profit before exceptional item and tax		1,232,693,813	1,022,523,707
Exceptional items income	42	-	92,218,854
Profit before tax		1,232,693,813	1,114,742,561
Less : Provision for tax			
Current tax		428,562,363	333,184,913
Deferred tax (credit)/charge		(2,779,144)	24,403,793
Profit after tax		806,910,594	757,153,855
Earnings per equity share (face value of ₹ 10 each)	28		
Basic and diluted		54.06	50.73
Significant accounting policies	2		

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

For B S R & Co. LLP

Chartered Accountants

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

Bhavesh Dhupelia

Partner

Membership No: 042070

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

Philippe Lesueur

Chairman DIN: 03327819

Gurudas Shenoy Chief Financial Officer Neela Bhattacherjee Managing Director DIN: 01912483

Ninad Umranikar Company Secretary ACS 14201

Place: Mumbai Date: 3 August, 2016

Place : Mumbai Date : 3 August, 2016

Financial statements

Cash flow statement for the year ended 30 June 2016	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
Cash flows from operating activities		
Net profit before tax and after exceptional item	1,232,693,813	1,114,742,561
Adjustments for:		
Depreciation and amortization expenses	132,765,957	132,915,058
Loss/ (profit) on sale of fixed asset	366,013	(337,990)
Provision for doubtful debts charge	30,636	12,950,881
Credit balances written back	(29,038,273)	(586,018)
Unrealised exchange loss	616,981	4,945,860
Interest income	(352,042)	(919,594)
Interest expense	6,010,776	4,269,704
Mark to market Loss/ (gain) on forward contract	770,226	(41,317,932)
Surplus on liquidation of subsidiary (refer to note 42)		(92,218,854)
Dividend income from mutual fund	(11,301,542)	(11,790,172)
Dividend income from subsidiary	(19,500,000)	(92,241,850)
Operating cash flow before working capital changes	1,313,062,545	1,030,411,654
Decrease/ (Increase) in current liabilities and provisions	4,658,895	(140,342,215)
Increase in trade receivables	(53,560,786)	(43,331,679)
Increase in loans and advances	(34,554,356)	(4,560,067)
Increase in unbilled revenue	(60,660,120)	(21,116,966)
Cash generated from operations	1,168,946,178	821,060,727
Taxes paid, net	(435,963,884)	(285,012,603)
Net cash provided by operating activities (A)	732,982,294	536,048,124
Cash flows from investing activities		
Purchase of fixed assets	(213,840,208)	(87,910,613)
Proceeds from sale of fixed assets	958,400	902,262
Interest received	339,772	1,114,392
Dividend received from subsidiaries	19,500,000	92,241,850
Dividend received on other investment	11,301,542	11,790,172
Purchase of Investment in a Mutual fund units	(1,985,300,049)	(1,894,289,174)
Sale of Investment in a Mutual fund units	2,117,000,000	1,863,100,000
Investment in bank deposits having maturity more than 3 months	(2,416,980)	(3,908,614)
Margin money deposits matured	2,285,402	33,001,128
Net cash (used in)/provided by investing activities (B)	(50,172,121)	16,041,403

Cash flow statement (contd.) for the year ended 30 June 2016	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
Cash flow from financing activities		
Dividend paid (including tax thereon)	(689,914,276)	(564,671,324)
Interest paid	(6,010,776)	(4,269,704)
Net cash (used) by financing activities (C)	(695,925,052)	(568,941,028)
Net decrease in cash and cash equivalents (A+B+C)	(13,114,879)	(16,851,501)
Effect of exchange differences on cash and cash equivalents held in foreign currency	(915,406)	(426,204)
Cash and cash equivalents at the beginning of the year	49,035,913	66,141,664
Cash and cash equivalents on account of liquidation of subsidiary		171,954
Cash and cash equivalents at the end of the year	35,005,628	49,035,913
Note to Cash flow statement:		
(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS-3) on Cash Flow Statement.		
(b) Components of cash and cash equivalents		
Balance with banks		
in current accounts	10,234,415	14,062,526
in EEFC accounts	705,729	16,846,166
Unclaimed dividend*	24,065,484	18,127,220
Total cash and cash equivalents	35,005,628	49,035,913

^{*}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: 3 August, 2016 For and on behalf of Board of Directors Accelya Kale Solutions Limited CIN: L74140PN1986PLC041033

Philippe Lesueur Chairman DIN: 03327819

Gurudas Shenoy

Chief Financial Officer

Place: Mumbai Date: 3 August, 2016 Neela Bhattacherjee

Managing Director DIN: 01912483

Ninad Umranikar Company Secretary ACS 14201

1. Background

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

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

2. Summary of significant accounting policies

a) Basis of preparation of financial statements

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.

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 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 measurability 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 asset and amortisation)

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
Plant and machinery and computer equipment	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
Lease hold improvement	To be amortized over the lesser of the period of lease and the useful life of the asset

For each 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 statement of profit and loss.

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 statement of profit and loss for 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 statement of profit and loss. 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 the date of transaction. The resulting exchange differences are accumulated in foreign currency translation reserve. On 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 Accounting standard (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 contracts 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 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.

I) Income taxes

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

Current taxes

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

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

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

Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result from differences between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted as 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 carried forward losses 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 the 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.

N	otes to the financial statements	30 June 2016 ₹	30 June 2015 ₹
3	SHARE CAPITAL		
	Authorised		
	20,200,000 (30 June 2015: 20,200,000) equity shares of ₹ 10 each	202,000,000	202,000,000
	Issued, subscribed and paid-up		
	14,926,261 (30 June 2015: 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 2016		30 June	2015
	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 shareholders 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 ₹ 15 and ₹ 30 respectively per equity share of ₹ 10 each.

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 shares 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 2016	30 June 2015
	₹	₹
Accelya Holding World S.L.U.		
11,143,295 (30 June 2015: 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 2016		30 .	June 2015
	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

SHARE CAPITAL (continued)

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 30 June 2016

On 2 May 2012 the Company has bought back 953,826 equity shares on BSE and NSE for a total consideration of ₹ 129,737,172.

RESERVES AND SURPLUS

	30 June 2016 ₹	30 June 2015 ₹
Capital redemption reserve		
At the commencement and end of the year	9,538,260	9,538,260
Securities premium account		
At the commencement and end of the year	316,984,098	316,984,098
General reserve		
At the commencement and end of the year	239,151,558	239,151,558
Balance in the Statement of profit and loss		
At the commencement of the year	230,648,751	88,237,489
Add: Net profit for the year	806,910,594	757,153,855
Less: Appropriations		
Depreciation due to change in useful life as per		
Schedule II to the Companies Act, 2013 (refer to note 41)	-	1,016,247
Deferred tax on depreciation due to change in useful life as per		
Schedule II to the Companies Act, 2013 (refer to note 41)	-	(345,422)
Interim dividend (current year amount per share ₹ 15,		
previous year amount per share ₹ 11)	223,893,915	164,188,871
Dividend distribution tax on interim dividend	44,096,700	33,617,130
Dividend distribution tax credit	(4,080,339)	(15,676,497)
Final equity dividend (current year amount per share ₹ 30,	447 707 020	070 156 505
previous year amount per share ₹ 25)	447,787,830	373,156,525
Dividend distribution tax on final dividend	91,159,066	58,785,739
Total appropriations	802,857,172	614,742,593
Balance at the end of the year	234,702,173	230,648,751
Total reserve and surplus	800,376,089	796,322,667
·		

OTHER LONG-TERM LIABILITIES

	Non current portion C		urrent portion (Refer to note 8)
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	₹	₹	₹	₹
Deposit received	1,725,561	1,635,560	-	-
Deferred rent liability	14,744,891	14,409,410	-	1,183,420
	16,470,452	16,044,970		1,183,420

6 LONG-TERM PROVISIONS

	Non curre	ent portion C	Surrent portion (Refer to note 9)
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	₹	₹	₹	₹
Provision for employee benefit				
- Leave encashment (refer to note 34)	49,062,697	47,828,633	15,703,612	16,323,973
	49,062,697	47,828,633	15,703,612	16,323,973

7 TRADE PAYABLES

	30 June 2016	30 June 2015
	₹	₹
Trade payables		
- Total outstanding dues of micro and small enterprises (refer to note 38)	-	-
- Total outstanding dues of creditors other than micro and small enterprises	89,065,217	107,562,016
	89,065,217	107,562,016

8 OTHER CURRENT LIABILITIES

	30 June 2016	30 June 2015
	₹	₹
Income received in advance	23,263,941	50,103,467
Creditors for capital goods	16,298,853	36,194,286
Unclaimed dividends	24,065,484	18,127,220
Provident fund contribution payable	5,409,544	5,408,735
Profession tax payable	253,675	283,500
Tax deducted at source payable	10,423,261	10,636,288
Value added tax payable	3,996	813,443
Local body tax payable	235,439	538,771
Deferred rent liability (refer to note 5)	-	1,183,420
Payable to employee state insurance corporation	103,899	165,014
	80,058,092	123,454,144

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

Financial statements

Notes to the financial statements	30 June 2016 ₹	30 June 2015 ₹
9 SHORT-TERM PROVISIONS		
Provision for employee benefit		
- Leave encashment (refer to note 6 and 34)	15,703,612	16,323,973
- Gratuity (refer to note 34)	13,510,382	12,781,069
Proposed dividend	447,787,830	373,156,525
Tax on proposed dividend	91,159,066	58,785,739
Provision for salaries and incentives	119,363,699	93,905,463
Provision for litigation	1,000,000	1,000,000
Provision for mark to market loss on forward contracts	1,543,640	773,414
Provision for claims	-	1,069,597
Provision for income tax (net of advance tax ₹ 762,871,033, previous		
year ₹ 325,892,507)	68,595,035	75,552,473
	758,663,264	633,348,253
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.

10 TANGIBLE FIXED ASSETS

	Building	Plant and machinery and computer	Furniture and fixture	Vehicle	Total
	₹	equipment ₹	₹	₹	₹
Gross block (at cost)					
As at 1 July 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
Additions during the year		88,484,168	6,274,476	2,646,181	97,404,825
Deletions/ disposals	-	8,454,490	512,482	7,377,990	16,344,962
As at 30 June 2016	63,259,128	507,805,870	58,392,237	10,362,433	639,819,668
Accumulated depreciation					
As at 1 July 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 to note 41)	-	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
Charge for the year	2,108,638	74,856,410	5,153,880	774,342	82,893,270
Deletions/ disposals	-	8,463,229	512,482	6,044,838	15,020,549
As at 30 June 2016	36,722,460	363,128,186	45,232,357	8,021,358	453,104,361
Net block					
As at 30 June 2015	28,645,306	131,041,187	12,039,284	1,802,388	173,528,165
As at 30 June 2016	26,536,668	144,677,684	13,159,880	2,341,075	186,715,307

a) Note for change in useful life

During the previous year, pursuant to Schedule II to the Companies Act, 2013 being applicable, the Company has changed useful life of computer equipment. Had the Company provided for the depreciation on SLM basis using the previously assessed life, the depreciation charge for the year ended 30 June 2015 would have been lower by ₹ 3,277,733.

	Capital work- -in-progess
As at 1 July 2014	214,426
Additions	186,649
Assets capitalisation during the year	219,315
As at 30 June 2015	181,760
Additions	429,270
Assets capitalisation during the year	181,760
As at 30 June 2016	429,270

11 INTANGIBLE FIXED ASSETS

	Internally developed software	Acquired software	Total
	₹	₹	₹
Gross block (at cost)			
As at 1 July 2014	328,732,261	235,553,446	564,285,70
Purchase/ internal development	28,807,765	14,287,970	43,095,73
Deletions/ disposals	-	-	
As at 30 June 2015	357,540,026	249,841,416	607,381,44
Purchase/ internal development	12,345,946	84,039,451	96,385,39
Deletions/ disposals	-	-	
As at 30 June 2016	369,885,972	333,880,867	703,766,83
Accumulated amortisation			
As at 1 July 2014	233,933,819	207,397,265	441,331,08
Charge for the year	30,721,480	18,314,086	49,035,56
Deletions/ disposals	<u>-</u>		
As at 30 June 2015	264,655,299	225,711,351	490,366,65
Charge for the year	30,915,790	18,956,897	49,872,68
Deletions/ disposals	-	-	
As at 30 June 2016	295,571,089	244,668,248	540,239,33
Net block			
As at 30 June 2015	92,884,727	24,130,065	117,014,79
As at 30 June 2016	74,314,883	89,212,619	163,527,50

	Intangible assets under development
As at 1 July 2014	10,385,462
Additions	18,583,451
Assets capitalisation during the year	28,750,956
As at 30 June 2015	217,957
Additions	12,252,989
Assets capitalisation during the year	12,345,946
As at 30 June 2016	125,000

No	otes to the financial statements	30 June 2016 ₹	30 June 2015 ₹
12	NON-CURRENT INVESTMENTS		
	Trade investments (unquoted at cost, unless otherwise stated) Investment in equity instruments of subsidiaries		
	1,300,000 (30 June 2015: 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
	111,000 (30 June 2015: 111,000) ordinary shares of		
	Zero Octa UK Ltd. of GBP 0.01 each fully paid up (Refer to note 42)	416,114,959	416,114,959
	Investments in Shares of Co-operative Banks		
	Rupee Co-operative Bank Limited		
	5,000 equity shares of ₹10 each fully paid up (30 June 2015: 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 2015: 1,000		
	equity shares of ₹10 each fully paid up)	10,000	10,000
		474,154,544	474,154,544
13	DEFERRED TAX ASSETS (NET)		
	Deferred tax assets		
	Provision for leave encashment	22,566,114	22,373,764
	Provision for doubtful debts	2,325,868	4,303,880
	Future tax deductible expenses	10,581,376	6,286,613
		35,473,358	32,964,257
	Deferred tax liabilities		
	Difference between tax and book value of fixed assets	(1,059,008)	(1,329,051)
		(1,059,008)	(1,329,051)
	Deferred tax assets (net)	34,414,350	31,635,206

14 LONG TERM LOANS AND ADVANCES

	Non curre	ent portion Cu	rrent portion (re	efer to note 19)
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	₹	₹	₹	₹
Unsecured, considered good				
Advance recoverable in cash or in kind	-	29,960	40,915,151	27,575,629
Advance income-tax (net of provision for tax of ₹ 707,746,278, 30 June 2015 ₹ 808,368,514)	20,267,460	19,823,378		-
Prepaid expenses	2,328,378	3,689,501	34,718,649	19,015,297
Lease and other deposits	52,786,646	52,269,383	56,000	56,000
Service tax refund receivable	17,875,311	14,724,976	3,112,816	10,194,358_
	93,257,795	90,537,198	78,802,616	56,841,284

15 OTHER NON-CURRENT ASSETS

	30 June 2016	30 June 2015
	₹	₹
Margin money deposit	617,123	412,370
Discount in advance	10,741,968	-
Interest accrued on bank deposits	196,707	70,665
	11,555,798	483,035

Margin money deposits

Margin money deposit represent deposit with banks given to various authorities amounting to ₹ 617,123 (30 June 2015: ₹ 412,370) which are due to mature after twelve months of the reporting date.

Discount in advance

Discount in advance represents discount given to customer to be amortised over the period of contract.

16 CURRENT INVESTMENT

(At lower of cost and fair value)	30 June 2016 ₹	30 June 2015 ₹
Investments in Mutual Fund		
Non Trade (unquoted)		
HDFC		
87,426.547 Liquid Fund Div Reinvest of ₹ 1019.82 (30 June 2015: 12,356,246.24 Liquid Fund Div Reinvest of ₹ 10.1982) (net asset value of unquoted investment)	89,159,341	126,011,470
ICICI Prudential 525,691.147 Liquid Fund Div Reinvest of ₹ 100.0989 (30 June 2015: 1,091,144.304 Liquid Fund Div Reinvest of ₹ 100.0636) (net asset value of unquoted investment)	52,621,106	109,183,827
Birla Sun Life 993,647.686 Liquid fund Div reinvest of ₹ 100.1950 (30 June 2015: 1,375,753.59 Liquid fund Div reinvest of		
₹ 100.1950) (net asset value of unquoted investment)	99,558,530	137,843,631
	241,338,977	373,038,928
Aggregate amount of unquoted investments	241,338,977	373,038,928

Notes to the financial statements	30 June 2016 ₹	30 June 2015 ₹
17 TRADE RECEIVABLES		
Unsecured		
Receivables for a period exceeding six months from the date they are due for payment		
Considered good	4,335,540	25,159,039
Considered doubtful	5,970,716	11,686,193
Less: Provision for doubtful receivable	(5,970,716)	(11,686,193)
(A)	4,335,540	25,159,039
Other receivables		
Considered good	359,374,848	284,491,976
Considered doubtful	-	-
Less: Provision for doubtful receivable	-	-
(B)	359,374,848	284,491,976
(A+B)	363,710,388	309,651,015
Trade receivables include:		
Due from subsidiaries and group companies in which director and		
member are interested (Refer to note 36)	75,221,569	28,003,312

18 CASH AND BANK BALANCES

Cash and cash equivalents		
Balances with bank		
On current accounts	10,234,415	14,062,526
In EEFC accounts	705,729	16,846,166
Other bank balances		
Margin money deposits	3,423,069	3,496,244
Unclaimed dividend *	24,065,484	18,127,220
	38,428,697	52,532,156

^{*}The Company can utilize 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 $\ref{3,423,069}$ (30 June 2015: $\ref{3,496,244}$) which are due to mature within twelve months of the reporting date.

19 SHORT TERM LOANS AND ADVANCES

Unsecured, considered good unless otherwise stated		
Advances recoverable in cash or kind (refer to note 14)	40,915,151	27,575,629
Service tax refund receivable (refer to note 14)	3,112,816	10,194,358
Prepaid expenses (refer to note 14)	34,718,649	19,015,297
Deposits (refer to note 14)	56,000	56,000
	78,802,616	56,841,284

Financial statements

No	tes to the financial statements	30 June 2016	30 June 2015
	OTHER CURRENT ASSETS	₹	₹
		117 500	001 071
	Interest accrued on bank deposits	117,599 1,944,576	231,371
	Unbilled revenue (refer to note 36 and 39)	254,442,052	193,781,932
	Chamba revenue (reier to note of and of)	256,504,227	194,013,303
	Discount in advance		
	Discount in advance represent discount given to customer to be amortised over the period of contract.		
	Unbilled revenue include:		
	Revenue from subsidiaries and group companies in which director and		
	member are interested(Refer to note 36)	117,572,598	67,910,064
		Year ended	Year ended
		30 June 2016	30 June 2015
21	SALES OF SOFTWARE SERVICES AND PRODUCTS	₹	₹
	Sale of services	3,095,471,053	2,720,476,161
	Other operating revenue	3,033,471,033	2,720,470,101
	Reimbursements from clients	1,680,993	2,287,195
		3,097,152,046	2,722,763,356
22	OTHER INCOME		
_	Interest on bank deposits	352,042	919,594
	Interest on income tax refunds (refer to note 43)		5,995,211
	Foreign exchange gain (net)	35,316,231	27,503,389
	Credit balances written back	29,038,273	586,018
	Dividend from subsidiary	19,500,000	92,241,850
	Dividend from mutual funds	11,301,542	11,790,172
	Profit on sale of asset, net		337,990
	Miscellaneous income	3,424,300	9,251,468
		98,932,388	148,625,692
23	EMPLOYEE BENEFITS EXPENSES		
	Salaries and incentives	1,214,840,479	1,103,379,378
	Contribution to provident fund and other funds	37,161,808	33,792,047
	Staff welfare expenses	41,145,923	39,582,083
	Gratuity (refer to note 34)	14,001,382	11,552,064
0.4	EINANCE COCTO	1,307,149,592	1,188,305,572
	FINANCE COSTS Bank charges	6,010,776	4,269,704
	Sant Granges	6,010,776	4,269,704
25	DEPRECIATION AND AMORTIZATION EXPENSE	=======================================	=======================================
	Depreciation on tangible fixed assets	82,893,270	83,879,492
	Amortization on intangible fixed assets	49,872,687	49,035,566
		132,765,957	132,915,058

No	otes to the financial statements	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
26	OTHER EXPENSES		
	Advertisement and sales promotion	28,435,468	20,499,644
	Auditor's remuneration (refer below)	5,723,806	5,068,451
	Commission and brokerage	5,910,806	23,962,112
	Communication charges	18,963,036	17,479,044
	Computer consumables	935,250	359,462
	Connectivity charges	14,872,311	10,979,163
	Data processing charges	11,890,921	12,051,916
	Director's commission	500,000	400,000
	Director's sitting and committee fees	2,205,250	1,391,000
	Contribution to corporate social responsibility (refer to note 44)	23,800,000	19,000,000
	Insurance	3,837,509	3,747,582
	Legal and professional fees	21,293,825	10,887,954
	Management fees	29,274,264	24,270,351
	Membership and subscription	7,751,912	5,811,568
	Miscellaneous expenses	27,360,040	25,667,822
	Power, fuel and water charges	31,154,987	29,057,538
	Printing and stationery	1,942,219	2,151,917
	(Reversal)/provision for doubtful debts	(5,715,477)	3,506,081
	Bad debt written off	5,746,113	9,444,800
	Rates and taxes	2,113,289	14,764,050
	Loss on sale of fixed assets, net	366,013	-
	Recruitment expenses	2,138,463	2,848,361
	Rent (refer to note 37)	74,091,768	75,161,267
	Repair and maintenance :		
	-Machinery	4,567,767	6,623,737
	-Others	18,326,194	17,477,330
	Software and maintenance	55,536,217	50,134,416
	Technical consultants charges	69,488,399	86,862,129
	Travelling and conveyance	67,206,911	62,407,593
		529,717,261	542,015,288
	Auditor's remuneration		
	Statutory audit fees	5,200,000	4,425,000
	Other services (tax audit, certification and others)	200,000	475,000
	Reimbursement of expenses	323,806	168,451
		5,723,806	5,068,451

No	tes to the financial statements	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
27	PRODUCT DEVELOPMENT COST CAPITALISED		
	Payroll cost	12,249,115	15,397,354
	Technical consultants charges	-	2,994,558
	Other direct cost	3,850	248,369
		12,252,965	18,640,281
8	EARNING PER EQUITY SHARE (EPS)		
_	Number of shares (face value ₹ 10 each)	14,926,261	14,926,261
	Profit after tax	806,910,594	757,153,855
	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 earnings per share	54.06	50.73
	Diluted earnings per share	54.06	50.73
_	CAPITAL AND OTHER COMMITMENTS Estimated amount of contracts remaining to be executed on capital account		
_	Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	21,498,082	508,995
	Estimated amount of contracts remaining to be executed on capital account,	21,498,082	508,995
	Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)		
	Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	21,498,082 7,870,739	508,995 7,870,739
	Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	7,870,739	7,870,739
	Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)		
	Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	7,870,739	7,870,739
0	Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	7,870,739	7,870,739
0	Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	7,870,739 17,875,311 2,767,611,464	7,870,739
0	Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	7,870,739 17,875,311 2,767,611,464 19,500,000	7,870,739 14,724,976
0	Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	7,870,739 17,875,311 2,767,611,464	7,870,739 14,724,976 2,429,740,525

Notes to the financial statements		Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
32 EXPENDI	TURE IN FOREIGN CURRENCY		
Legal, te	chnical and professional fees	30,194,242	45,915,399
Other ex	oenses	39,496,797	15,470,583
Sale con	nmission	5,888,806	23,942,112
Members	hip, subscription, software and maintenance	23,124,889	21,790,500
Salaries	and incentives	37,315,246	34,248,691
Travelling	and conveyance	26,269,844	49,964,865
Managen	nent fees	29,274,264	24,270,351
		191,564,088	215,602,501

33 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

Year of remittance (ending on)	Year ended	Year ended
	30 June 2016 ₹	30 June 2015 ₹
Period to which the dividend relates	2014-15	2013-14
	(Final	(Final
	dividend)	dividend)
Numbers of non-resident shareholders	18	19
Numbers of equity shares held on which dividend was due	11,183,244	11,187,844
Amount remitted	279,581,100	246,132,568
Period to which the dividend relates	2015-16	2014-15
	(Interim	(Interim
	dividend)	dividend)
Numbers of non-resident shareholders	18	18
Numbers of equity shares held on which dividend was due	11,183,244	11,184,344
Amount remitted	167,748,660	123,027,784

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.

Cha	anges in present value of obligations	Year ended	Year ended
		30 June 2016 ₹	30 June 2015 ₹
a)	Liability recognised in the balance sheet		`
,	i) Present value of obligation		
	Opening balance	56,225,476	45,607,120
	Current service cost	10,400,936	9,621,587
	Interest cost	4,183,926	3,805,370
	Actuarial loss on obligations	3,113,442	1,919,965
	Benefits paid	(9,144,135)	(4,728,566)
	Closing balance (i)	64,779,645	56,225,476
	ii) Fair value of plan assets		
	Opening balance	43,444,407	38,139,760
	Expected return on plan assets	3,868,212	3,500,519
	Employer's contributions	13,272,069	6,238,355
	Actuarial (loss)/gain on plan assets	(171,290)	294,339
	Benefits paid	(9,144,135)	(4,728,566)
	Closing balance (ii)	51,269,263	43,444,407
	Net liability recognised in the balance sheet (i-ii)	13,510,382	12,781,069
b)	Expenses recognised in statement of profit and loss		
	Current service cost	10,400,936	9,621,587
	Interest cost	4,183,926	3,805,370
	Expected return on plan assets	(3,868,212)	(3,500,519)
	Net actuarial loss recognised during the period	3,284,732	1,625,626
	Expenses recognised in statement of profit and loss	14,001,382	11,552,064
c)	Break up of Plan assets		
	LIC of India - Insurer Managed Fund	100.00%	100.00%
d)	Principal actuarial assumptions		
	Rate of discounting	7.70%	8.10%
	Expected return on plan assets	8.50%	9.00%
	Rate of increase in basic salary	5.00%	5.00%
	Attrition rate	13.00%	13.00%

Year ended

Year ended

Notes to the financial statements	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
Mortality	Indian Assured	Indian Assured
	Lives Mortality	Lives Mortality
	(2006-08)	(2006-08)
	ultimate	ultimate
Normal retirement age	58 years	58 years

Experience Year ended adjustment 30 June 2016		Year ended 30 June 2015	Year ended 30 June 2014	Year ended 30 June 2013	Year ended 30 June 2012
	₹	₹	₹	₹	₹
Present value of obligation	64,779,645	56,225,476	45,607,120	42,625,324	36,980,044
Plan assets	51,269,263	43,444,407	38,139,760	38,032,777	31,072,000
Surplus (deficit)	(13,510,382)	(12,781,069)	(7,467,360)	(4,592,547)	(5,818,044)
Experience adjustments on plan liabilities (loss)/gain	1,704,152	(121,529)	1,027,170	2,127,217	3,274,195
Experience adjustments on plan assets (loss)/gain	(56,252)	(391,576)	(281,638)	780,327	(1,023,876)

The Company estimates that the balance amount to be contributed to the gratuity fund during the financial year 2016-17 will be ₹ 13,510,382.

Leave encashment

The liability towards compensated absences (annual leave) for the year ended 30 June 2016 based on actuarial valuation carried out using projected unit benefit method resulted in decrease in liability by ₹ 613,705 (30 June 2015: Increase in liability by ₹ 5,579,605)

	30 June 2016	30 June 2015
	₹	₹
Principal actuarial assumptions		
Rate of discounting	7.70%	8.10%
Rate of increase in salary cost to company	10.00%	11.00%
Attrition rate	13.00%	13.00%
Mortality	Indian Assured	Indian Assured
	Lives Mortality	Lives Mortality
	(2006-08)	(2006-08)
	ultimate	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 ₹ 32,322,871 (2015: ₹ 28,948,311).

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).

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	100%
	Kale Revenue Assurance Services Limited (refer note 42)	100%
	Zero Octa UK Limited	100%
Key management personnel	Philippe Lesueur - Chairman	
	Vipul Jain* - Managing Director (till 30 September 2015)	
	Neela Bhattacherjee* - Managing Director (w.e.f. 1 October 2015)	
	Gurudas Shenoy - Chief Financial Officer	
	Ninad Umranikar - Company Secretary	
Other related party	Catalysts for Social Action	

Note: * The shareholders of the Company at the Annual General Meeting held on 30 September 2015, approved the appointment of a) Ms. Neela Bhattacherjee as Managing Director of the Company and b) Mr. Vipul Jain and Mr. John Johnston as Non-Executive Directors of the Company w.e.f 1 October 2015.

(B) Transactions with related parties

(Amount ₹)

Nature of transactions	Year ended	Holding	Fellow	Subsidiaries	Other	Key	Total
			Subsidiary		related	management	
					party	personnel	
Services rendered by the Company	30 June 2016	31,943,468	230,730,927	844,025,350	-	-	1,106,699,745
	30 June 2015	11,812,952	169,564,999	693,568,878	-	-	874,946,829
Services received by the Company	30 June 2016	29,165,795	8,723,483	1,190,692	-	-	39,079,970
	30 June 2015	-	4,882,003	-	-	-	4,882,003
Claims raised for expenses	30 June 2016	5,504,423	26,609,661	24,320,759	-	-	56,434,843
	30 June 2015	6,736,376	22,780,324	25,618,035	-	-	55,134,734
Claims received for expenses	30 June 2016	16,236,207	2,400,746	33,738,712	-	-	52,375,665
	30 June 2015	27,829,811	534,074	58,746,797	-	-	87,110,681
Remuneration	30 June 2016	-	-	-	-	36,755,822	36,755,822
	30 June 2015	-	-	-	-	36,779,929	36,779,929
Dividend received	30 June 2016	-	-	19,500,000	-	-	19,500,000
	30 June 2015	-	-	92,241,850	-	-	92,241,850
Dividend paid	30 June 2016	167,149,425	-	-	-	301,735	167,451,160
	30 June 2015	122,576,245	-	-	-	279,796	122,856,041
Surplus on liquidation (refer to note 42)	30 June 2016	-	-	-	-	-	-
	30 June 2015	-	-	92,218,854	-	-	92,218,854
Contribution to Corporate Social							
Responsibility	30 June 2016	-	-	-	23,800,000	-	23,800,000
	30 June 2015	-	-	-	19,000,000	-	19,000,000
Balances outstanding							
Payable	30 June 2016	16,957,041	3,907,663	5,198,449	-	-	26,063,153
	30 June 2015	6,533,580	524,317	19,155,280	-	2,150,000	28,363,178
Trade receivables	30 June 2016	2,307,941	27,324,763	45,588,865	-	-	75,221,569
	30 June 2015	2,713,945	23,245,553	2,043,814	-	-	28,003,312
Unbilled revenue	30 June 2016	2,816,970	19,316,282	95,439,346	-	-	117,572,598
	30 June 2015	2,680,363	12,908,458	52,321,243	-	-	67,910,064
Investment in subsidiary	30 June 2016	-	-	474,094,544	-	-	474,094,544
	30 June 2015	-	-	474,094,544	-	-	474,094,544

Notes to the financial statements	Year ended 30 June 2016 ₹	Year ended 30 June 2015
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		
Services rendered by the Company		
Kale Softech Inc	735,884,197	581,717,845
Zero Octa UK Limited	108,141,153	111,851,033
Accelya World S.L.U.	159,822,852	124,019,982
Accelya Holding World S.L.U	31,943,468	11,812,952
Accelya France SAS	22,110,617	15,936,629
Accelya UK Ltd	46,255,202	25,772,942
Accelya America, S.A. de C.V.	2,542,256	3,835,445
Services received by the Company	,, ,, ,, ,,	-,,
Kale Softech Inc	1,190,692	_
Accelya World S.L.U.	8,190,828	1,378,194
Accelya Holding World S.L.U.	29,165,795	-
Accelya UK Ltd	532,655	3,503,810
Claims raised for expenses	,	
Kale Softech Inc	9,783,120	6,807,782
Zero Octa UK Limited	14,537,639	18,810,253
Accelya World S.L.U.	20,035,690	18,959,329
Accelya Holding World S.L.U.	5,504,423	6,736,376
Accelya France SAS	5,424,812	2,052,915
Accelya UK Ltd	602,442	1,149,411
Accelya America, S.A. de C.V	546,717	618,669
Claims received for expenses		
Kale Softech Inc	33,695,277	58,746,797
Zero Octa UK Limited	43,435	-
Accelya World S.L.U	-	114,342
Accelya Holding World S.L.U	16,236,207	27,829,811
Accelya UK Ltd	2,400,746	419,731
Dividend received		
Kale Softech Inc	19,500,000	25,742,250
Kale Revenue Assurance Services Limited	-	66,499,600
Dividend paid		
Accelya Holding World S.L.U	167,149,425	122,576,245
Gurudas Shenoy	86,600	71,445
Neela Bhattacherjee	31,335	-
Ninad Umranikar	183,800	208,351
Remuneration		
Vipul Jain	17,309,396	25,313,405
Gurudas Shenoy	6,296,956	7,651,122
Neela Bhattacherjee	10,099,506	-
Ninad Umranikar	3,049,964	3,815,402

Notes to the financial statements	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
36 RELATED PARTY TRANSACTIONS (Continued)		
Contribution to Corporate Social Responsibility		
Catalysts for Social Action	23,800,000	19,000,000
Surplus on liquidation (refer to note 42)		
Kale Revenue Assurance Services Limited	-	92,218,854
Payable		
Kale Softech Inc	5,198,449	5,114,220
Zero Octa UK Limited	-	14,041,060
Accelya Holding World S.L.U	16,957,041	6,533,580
Accelya World S.L.U	1,934,953	346,813
Accelya UK Ltd	1,972,710	177,504
Vipul Jain	-	2,150,000
Trade receivables		
Kale Softech Inc	37,634,725	-
Zero Octa UK Limited	7,954,140	2,043,814
Accelya Holding World S.L.U.	2,307,941	2,713,945
Accelya World S.L.U.	18,920,089	13,549,899
Accelya UK Ltd	3,111,684	5,309,790
Accelya France SAS	5,080,711	3,655,782
Accelya America, S.A. de C.V.	212,279	730,082
Unbilled revenue		
Kale Softech Inc	87,652,605	42,448,129
Zero Octa UK Limited	7,786,741	9,873,114
Accelya Holding World S.L.U.	2,816,970	2,680,363
Accelya World S.L.U.	10,707,296	9,960,799
Accelya UK Ltd	3,898,613	1,686,017
Accelya France SAS	4,584,516	1,224,847
Accelya America, S.A. de C.V	125,857	36,795
Investment in subsidiary		
Kale Softech Inc	57,979,585	57,979,585
Zero Octa UK Limited	416,114,959	416,114,959

37 LEASES

Operating lease

The lease rental (including hire charges) for office premises, guest house and godown charged to statement of profit and loss aggregates to ₹ 74,091,768 (30 June 2015: ₹ 75,161,267).

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

Due:	As at 30 June 2016	As at 30 June 2015
	₹	₹
Not later than one year	70,602,127	67,367,690
Later than one year and not later than five years	173,414,167	173,827,922

Notes to the financial statements

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

Based on information and records available, the Company has no dues to micro and small enterprises during the years ended 30 June 2016 and 30 June 2015 and as at 30 June 2016 and 30 June 2015

Particulars	As at 30 June 2016 ₹	As at 30 June 2015 ₹
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 ₹ 53,361,664 (previous year ₹ 19,989,099)

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	30	30 June 2016		ine 2015
	Hedge	Foreign	₹	Foreign	₹
		currency		currency	
Forward exchange contract					
(to hedge highly probable exports)	USD	20,200,000	1,363,904,000	14,200,000	903,972,000
	EUR	4,400,000	330,656,040	2,100,000	149,460,990
	GBP	1,650,000	149,854,980	1,110,000	111,054,723

Notes to the financial statements

40 DERIVATIVE INSTRUMENT (Continued)

II. Unhedged Foreign Currency exposures

Foreign currency	as at 30 June 2016		as at 30 June 2015	
	Foreign currency	Foreign currency ₹		₹
Payable - USD	305,772	20,645,759	701,839	44,679,040
Payable - GBP	28,975	2,631,489	7,884	788,806
Payable - EURO	310,378	23,324,893	143,038	10,180,285
Payable - NZD	5,763	277,332	22,709	978,757
Payable - AED	133,752	2,458,363	16,622	287,887
Payable - AUD	14,386	723,198	12,956	633,354
Receivables - EURO	499,454	37,533,951	554,429	39,458,728
Receivables - AUD	348,018	17,494,856	412,047	20,144,957
Receivables - GBP	148,043	13,445,240	84,720	8,476,205
Receivables - USD	2,055,319	138,775,107	1,171,803	74,596,955
Receivables - SGD	22,327	1,118,373	-	-
Receivables - HKD	-	-	436,825	3,581,965
EEFC - USD	2,708	182,839	11,427	727,429
EEFC - GBP	3,757	341,208	28,321	2,833,559
EEFC - EURO	2,418	181,682	186,668	13,285,178

41 During the previous year, pursuant to the requirement of the Companies Act, 2013 (the "Act"), the Company revised the depreciation rate for end use computers, based on the estimated useful life as prescribed by the Schedule II to the Act. Accordingly the Company has adjusted the net residual value as at 1 July 2014 aggregating to ₹ 1,016,247 and deferred tax thereon of ₹ 345,422 to retained earnings.

42 Liquidation of Kale Revenue Assurance Services Limited

During the previous year, 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 30 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. All the assets and liabilities of KRAS were transferred to the liquidator approved by the board. The liquidator transferred entire issued capital of Zero Octa UK Ltd. ("ZOUK") and other assets and liabilities of the company, being the owner of KRAS.

The liquidator has completed liquidation process and the Company is dissolved on 15 March 2016.

	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

43 During the previous year, the Company received income tax refund for the financial years 2008-09, 2009-10 and 2010-11 amounting to ₹ 31,866,760 of which, interest on income tax refund amounting to ₹ 5,995,211 was accounted in profit and loss account under other income. (refer to note 22)

Notes to the financial statements

44 Corporate Social Responsibility

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. John Johnston, 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. The total amount spent by the Company through CSA is ₹ 23,800,000 (previous year: ₹ 19,000,000)

Amount in ₹

CSR Activities	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	23,800,000	-	23,800,000

45 Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation as follows:
Amount in ₹

Particulars	Note No.	Amount as per	Revision in the	Revised amount	Remark
		Previous year	amount for	for Previous year	
		financials	Previous year		
Other current liabilities	8	123,289,130	165,014	123,454,144	Rearranged
Short-term provisions	9	633,513,267	(165,014)	633,348,253	Rearranged
Short term loans and advances	19	70,646,449	(13,805,165)	56,841,284	Rearranged
Other current assets	20	180,208,138	13,805,165	194,013,303	Rearranged

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 tax.

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 During the year an audit was conducted by the Service Tax authorities. Subsequent to the year end, Service Tax authorities have observed that certain transactions were chargeable to tax under Reverse Charge Mechanism and Cenvat credit was not eligible for certain transactions. The Company is in the process of evaluating these observations and is in process of submitting its responses to the Service Tax authorities.

49 Other matters

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: 3 August, 2016 For and on behalf of Board of Directors Accelya Kale Solutions Limited CIN: L74140PN1986PLC041033

Philippe Lesueur Chairman DIN: 03327819

Gurudas Shenoy Chief Financial Officer Neela Bhattacherjee Managing Director DIN: 01912483

Ninad Umranikar Company Secretary ACS 14201

Place: Mumbai Date: 3 August, 2016

Independent Auditor's 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 of the Consolidated Balance Sheet as at 30 June 2016 and 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 (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

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 Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence 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 the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 30 June 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books;
- 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 2016, and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 30 June 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial statements of the Group Refer Note 30 to the consolidated financial statements;
 - (ii) Provision has been made in the consolidated financial statements, 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 consolidated financial statements; and
 - (iii) There has been no delay in transferring amounts, 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: 3 August, 2016

Annexure A to the Independent Auditor's Report - 30 June 2016

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 30 June 2016, we have audited the internal financial controls over financial reporting of Accelya Kale Solutions Limited ("the Holding Company") as of that day.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to explanation given to us the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 30 June 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting is restricted to the Holding Company since all the subsidiaries of the Holding Company are foreign subsidiaries, which are not subject to the Report on the Internal Financial Controls.

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

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

Bhavesh Dhupelia

Partner

Membership No: 042070

Place: Mumbai

Date: 3 August, 2016

Consolidated balance sheet as at 30 June 2016	Note	30 June 2016 ₹	30 June 2015 ₹
EQUITY AND LIABILITIES			
Shareholder's funds Share capital	3	149,268,660	149,268,660
Reserves and surplus	4	982,055,480	1,001,493,882
Tioservee and carpiae	,	1,131,324,140	1,150,762,542
Non-current liabilities			
Other long-term liabilities	5	16,826,914	16,563,487
Long-term provisions	6	49,062,697	47,844,688
Current liabilities		65,889,611	64,408,175
Trade payables			
- Dues of micro and small enterprises	7	_	-
- Dues of creditors other than micro			
and small enterprises	7	118,967,612	119,627,800
Other current liabilities	8	80,313,830	104,895,174
Short-term provisions	9	<u>775,302,379</u>	668,616,963
		974,583,821	893,139,937
TOTAL		2,171,797,572	2,108,310,654
ASSETS Non-current assets			
Goodwill on consolidation		417,995,382	460,466,915
Fixed assets	40	407.040.700	474 404 757
Tangible fixed assets	10 11	187,340,703	174,184,757
Intangible fixed assets	10	163,527,502 429,270	117,014,792 181,760
Capital work-in-progress	11	125,000	217,957
Non-current investments	12	60,000	60,000
Deferred tax assets (net)	13	34,414,350	31,635,206
Long-term loans and advances	14	94,120,236	91,350,337
Other non-current assets	15	13,554,315	483,035
		911,566,758	875,594,759
Current assets	4.0		070 000 000
Current investment	16	241,338,977	373,038,928
Trade receivables	17	391,861,747	371,565,123
Cash and bank balances	18 19	267,685,363	217,882,477
Other current assets	19 20	82,613,247 276,731,480	63,876,888 206,352,479
Other current assets	20	1,260,230,814	1,232,715,895
TOTAL		2,171,797,572	2,108,310,654
Circuiting a plining	0		
Significant accounting policies	2		

The notes referred to above form an integral part of the consolidated 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

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

Philippe Lesueur Chairman DIN: 03327819

Gurudas Shenoy Chief Financial Officer Neela Bhattacherjee Managing Director DIN: 01912483

Ninad Umranikar Company Secretary ACS 14201

Place : Mumbai Date: 3 August, 2016

Place : Mumbai Date: 3 August, 2016

Consolidated statement of profit & loss for the year ended 30 June 2016	Note	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
Revenue			
Sale of software services and products	21	3,409,817,314	3,028,236,945
Other income	22	89,489,497	57,124,636
Total revenue		3,499,306,811	3,085,361,581
Expenses			
Employee benefits expense	23	1,416,357,044	1,288,658,608
Finance costs	24	6,520,360	4,881,795
Depreciation and amortization	25	133,111,875	133,220,806
Other expenses	26	677,507,890	609,858,327
Less: Product development cost capitalised	27	(12,252,965)	(18,640,281)
Total expenses		2,221,244,204	2,017,979,255
Profit before taxation Less: Provision for taxation		1,278,062,607	1,067,382,326
Current tax		450,613,062	371,749,364
Deferred tax charge		(2,779,144)	24,403,793
Mat credit entitlement			(2,741,009)
Profit after taxation		830,228,689	673,970,178
Earnings per equity share (face value of ₹ 10 each)	28		
Basic and diluted		55.62	45.15
Significant accounting policies	2		

The notes referred to above form an integral part of the consolidated 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

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

Philippe Lesueur Chairman DIN: 03327819

Gurudas Shenoy

Neela Bhattacherjee Managing Director DIN: 01912483

Chief Financial Officer

Ninad Umranikar Company Secretary ACS 14201

Place : Mumbai Date: 3 August, 2016

Place: Mumbai Date: 3 August, 2016

Consolidated cash flow statement for the year ended 30 June 2016	Year ended 30 June 2016	Year ended 30 June 2015
	₹	₹
Cash flows from operating activities		
Net profit before tax	1,278,062,607	1,067,382,326
Adjustments for:		
Depreciation and amortization	133,111,875	133,220,806
Profit on sale of fixed asset	366,013	(337,990)
Provision for doubtful debts, net of bad debt written off	30,636	10,679,628
Credit balances written back	(29,038,273)	(1,743,723)
Effect of exchange difference on translation of subsidiaries	(4,338,386)	6,030,518
Unrealised exchange loss	(8,918,579)	3,580,825
Interest income	(352,042)	(919,594)
Interest expense	6,520,360	4,881,795
Mark to market loss on derivative contract	770,226	(41,317,932)
Dividend income	(11,301,542)	(11,790,172)
Operating cash flow before working capital changes	1,364,912,895	1,169,666,487
(Decrease)/ increase in current liabilities and provisions	32,341,945	(151,304,855)
(Increase) in trade receivables	(21,277,306)	(1,470,523)
(Increase) in loans and advances	(39,206,787)	(10,677,736)
(Increase) in unbilled revenue	(67,768,833)	(17,896,091)
Cash generated from operations	1,269,001,914	988,317,282
Taxes paid, net	(462,800,812)	(325,471,179)
Net cash provided by operating activities (A)	806,201,102	662,846,103
Cash flows from investing activities		
Purchase of fixed assets	(214,154,930)	(88,126,119)
Proceeds from sale of fixed assets	958,400	902,262
Interest received	339,772	1,114,393
Dividend received	11,301,542	11,790,172
Purchase of investment in a mutual fund	(1,985,300,049)	(1,894,289,174)
Sale of investment in a mutual fund	2,117,000,000	1,863,100,000
Investment in bank deposit having maturity more than 3 month	(2,416,980)	(4,062,664)
Margin money deposits matured	2,285,402	33,001,128
Net cash used in investing activities (B)	(69,986,843)	(76,570,002)
net cash used in hivesting activities (b)	(09,900,043)	<u>(70,570,002)</u>

Consolidated cash flow statement (contd.)	Year ended	Year ended
for the year ended 30 June 2016	30 June 2016 ₹	30 June 2015 ₹
Cash flow from financing activities		
Dividend paid (including tax thereon)	(689,914,276)	(564,671,324)
Interest paid	(6,520,360)	(4,881,795)
Net cash used by financing activities (C)	(696,434,636)	(569,553,119)
Net increase in cash and cash equivalents (A + B + C) Effect of exchange differences on cash and cash equivalents	39,779,623	16,722,982
held in foreign currency	214,386,233	197,069,656
Cash and cash equivalents at the beginning of the year Cash and cash equivalents at the end of the year	264,262,294	214,386,233
Note to Cash flow statement: (a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS-3) on Cash Flow Statement.		
(b) Components of cash and cash equivalents Balance with banks		
in current accounts	239,491,081	179,412,847
in EEFC accounts	705,729	16,846,166
Unclaimed dividend *	24,065,484	18,127,220
Total cash and cash equivalents	264,262,294	214,386,233
·		

^{*}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: 3 August, 2016 For and on behalf of Board of Directors Accelya Kale Solutions Limited CIN: L74140PN1986PLC041033

Philippe Lesueur Chairman DIN: 03327819

Gurudas Shenoy Chief Financial Officer DIN: 01912483

Ninad Umranikar

Managing Director

Neela Bhattacherjee

Company Secretary
ACS 14201

Place: Mumbai Date: 3 August, 2016

1. Background

Accelya Kale Solutions Limited ("Accelya" or "Company") 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, 2016 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 Accelya (formerly Kale Revenue Assurance Services Ltd, UK), incorporated under the laws of United Kingdom	100%	2007-08

^{*} Kale Revenue Assurance Services Ltd, UK is liquidated with effect from 20 May 2015. (refer note 42)

2. Summary of significant accounting policies

a) Basis of preparation of consolidated financial statements

These consolidated 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.

c) Basis of consolidation

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.

d) Use of estimates

The preparation of consolidated 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 consolidated financial statements

and the reported amounts of revenue and expenses during the reporting period. Management believes that the estimates made in the preparation of the consolidated 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.

e) 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.

f) 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 measurability 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.

g) Goodwill on consolidation

Goodwill arising on the consolidation of a subsidiary represents the excess of the cost of acquisition of investment 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.

h) Fixed assets and depreciation (including intangible assets and amortisation)

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
Plant and machinery and computer equipment	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
Lease hold improvement	To be amortized over the lesser of the period of lease and the useful life of the asset

For each 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.

i) 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.

j) 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 statement of profit and loss.

k) 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.

m) 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 statement of profit and loss for 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 statement of profit and loss. Non-monetary foreign currency items are carried at cost.

Translation of foreign operations

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

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

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

In the case of a non integral foreign operation, the assets and liabilities, both monetary and non-monetary, are

translated at the closing exchange rate and income and expense items are translated at the exchange rates on the date of transaction. The resulting exchange differences are accumulated in foreign currency translation reserve. On 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 Limited 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 statement of profit and loss 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 Accounting standard (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.

n) 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 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.

o) 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 ten succeeding assessment years. The amount of MAT credit can be set-off only in

the year in which the Company is liable to pay tax as per the normal provisions of the Income tax Act 1961, and such tax is in excess of MAT for that year. The amount of set-off would be to the extent of excess of normal income-tax over the amount of MAT calculated as if Section 115JB had been applied for that assessment year for which the set-off is being allowed.

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

Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result from differences between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted as 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 carried forward losses 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.

p) 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.

q) 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 the 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.

r) 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.

N	otes to the consolidated financial statements	30 June 2016 ₹	30 June 2015 ₹
3	SHARE CAPITAL		
	Authorised		
	20,200,000 (30 June 2015: 20,200,000) equity shares of ₹ 10 each	202,000,000	202,000,000
	Issued, subscribed and paid-up		
	14,926,261 (30 June 2015: 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

Reconciliation of the shares outstanding at the beginning and at the end of the year Equity shares

	30 June 2016		30 June	2015
	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 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 \ref{total} 15 and \ref{total} 30 respectively per equity share of \ref{total} 10 each.

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 shares 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 2016 ₹	30 June 2015 ₹
Accelya Holding World S.L.U.		
11,143,295 (30 June 2015: 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 2016		30 June 2015	
	Number of shares	% of total shares in the class	Number of	
Equity shares of ₹ 10 each fully paid	onaroo	Shares in the slass	onaroo	Shares in the slass
Accelya Holding World S.L.U	11,143,295	74.66	11,143,295	74.66

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 30 June 2016

On 2 May 2012,the Company has bought back 953,826 equity shares on BSE and NSE for a total consideration of ₹ 129,737,172.

4 RESERVES AND SURPLUS

	30 June 2016 ₹	30 June 2015 ₹
Capital redemption reserve	`	`
Balance as at the commencement and at the end of the year	9,538,260	9,538,260
Securities premium account		
Balance as at the commencement and at the end of the year	316,984,098	316,984,098
General reserve		
Balance as at the commencement and at the end of the year	236,953,435	236,953,435
Balance as at the commencement and at the site of the year minimum.		
Foreign currency translation reserve		
At the commencement of the year	145,803,004	149,716,890
Movement during the year	(46,809,919)	(3,913,886)
Balance at the end of the year	98,993,085	145,803,004
Balance in the statement of profit and loss		
At the commencement of the year	292,215,085	232,987,500
Add: Net profit for the year	830,228,689	673,970,178
Less: Appropriations		
Depreciation due to change in useful life as per Schedule II to the Companies Act, 2013 (refer note 40)		1,016,247
Deferred tax on depreciation due to change in useful life as per Schedule II to the Companies Act, 2013 (refer note 40)		(345,422)
Interim dividend (current year amount per share		
₹ 15, 30 June 2015: amount per share ₹ 11)	223,893,915	164,188,871
Dividend distribution tax on interim equity dividend paid	44,096,700	33,617,130
Dividend distribution tax credit	(4,080,339)	(15,676,497)
Final equity dividend (current year amount per share		070 450 505
₹ 30, 30 June 2015: amount per share ₹ 25)	447,787,830	373,156,525
Dividend distribution tax on final equity dividend	91,159,066	58,785,739
Total appropriations	802,857,172	614,742,593
At the end of the year	319,586,602	292,215,085
Total reserve and surplus	982,055,480	1,001,493,882

5 (OT	HER	LONG-	TERM	LIABIL	ITIES
-----	----	-----	-------	------	--------	-------

	Non current portion		Current portion (Refer n	
	30 June 2016 30 June 2015		30 June 2016	30 June 2015
	₹	₹	₹	₹
Deposit received	1,725,561	1,635,561	-	-
Deferred rent liability	15,101,353	14,927,926	193,475	1,309,467
	16,826,914	16,563,487	193,475	1,309,467

6 LONG-TERM PROVISIONS

	Non current portion		Current portion (Refer note		
	30 June 2016 30 June 2015		30 June 2016	30 June 2015	
	₹	₹	₹	₹	
Provision for employee benefit					
- Leave encashment (refer note 32)	49,062,697	47,844,688	17,182,120	16,323,973	
	49,062,697	47,844,688	17,182,120	16,323,973	

TRADE PAYABLES

30 June 2016	30 June 2015
₹	₹
-	-
ses 118,967,612	119,627,800
118,967,612	119,627,800
	₹ ses 118,967,612

N	otes to the consolidated financial statements	30 June 2016	30 June 2015
		₹	₹
8	OTHER CURRENT LIABILITIES		
	Income received in advance	23,240,736	31,537,136
	Creditor for capital goods	16,298,853	36,194,286
	Deferred rent liability (refer note 5)	193,475	1,309,467
	Unclaimed dividends	24,065,484	18,127,220
	Provident fund contribution payable	5,409,544	5,408,735
	Profession tax payable	253,675	283,500
	Tax deducted at source payable	10,508,729	10,953,962
	Value added tax payable	3,996	-
	Local body tax payable	235,439	538,771
	United Kingdom national insurance contribution payable	-	377,083
	Payable to employee state insurance corporation	103,899	165,014
		80,313,830	104,895,174

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)	17,182,120	16,323,973
- Gratuity (refer note 32)	13,510,382	12,781,069
Proposed dividend	447,787,830	373,156,525
Tax on proposed dividend	91,159,066	58,785,739
Provision for salaries and incentives	124,087,618	107,503,235
Provision for litigation (Refer note (a) below)	1,000,000	1,000,000
Provision for claims	8,478,793	10,943,205
Provision for mark to market loss on forward contract	1,543,640	773,414
Provision for income tax		
(net of advance tax ₹ 781,802,419, 30 June 2015: ₹ 453,295,540)	70,552,930	87,349,803
	775,302,379	668,616,963
(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.

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 2014	63,259,128	379,055,777	61,892,567	15,094,242	21,659,954	540,961,0
Additions during the year	-	58,172,476	4,961,990	-	-	63,134,
Deletions/disposals	-	27,927,311	12,651,127	-	-	40,578,
Translation	-	196,392	167,667	-	-	364,
As at 30 June 2015	63,259,128	409,497,334	54,371,097	15,094,242	21,659,954	563,881,
Additions during the year	-	88,794,702	6,274,473	2,646,178		97,715,
Deletions/disposals	-	8,454,491	512,483	7,377,990	-	16,344,
Translation	-	29,625	66,766	-	-	96,
As at 30 June 2016	63,259,128	489,867,170	60,199,853	10,362,430	21,659,954	645,348,
Accumulated depreciation						
As at 1 July 2014	32,505,184	239,489,957	50,141,352	11,734,822	10,273,837	344,145,
Charge for the year	2,108,638	71,423,194	4,532,641	1,557,032	4,563,735	84,185,
Deletions/disposals	-	27,403,968	12,610,199	-	-	40,014,
Translation	-	207,360	157,166	-	-	364,
Adjustment for retained earnings						
(refer note 40)	-	1,016,247	-	-	-	1,016,
As at 30 June 2015	34,613,822	284,732,790	42,220,960	13,291,854	14,837,572	389,696,
Charge for the year	2,108,638	70,609,862	5,182,611	774,343	4,563,735	83,239,
Deletions/disposals	-	8,463,229	512,483	6,044,839	-	15,020,
Translation	-	30,697	61,499	-	-	92,
As at 30 June 2016	36,722,460	346,910,120	46,952,587	8,021,358	19,401,307	458,007,
Net block						
As at 30 June 2015	28,645,306	124,764,544	12,150,137	1,802,388	6,822,382	174,184,
As at 30 June 2016	26,536,668	142,957,050	13,247,266	2,341,072	2,258,647	187,340,

Note for change in useful life

During the previous year, pursuant to Schedule II to the Companies Act, 2013 being applicable, the Company has changed useful life of computer equipment, had the Company provided for the depreciation on SLM basis using the previously assessed life, the depreciation charge for the year ended 30 June 2015 would have been lower by ₹ 3,277,733.

	Capital work- -in-progess ₹
As at 1 July 2014	214,426
Additions	186,649
Assets capitalisation during the year	219,315
As at 30 June 2015	181,760
Additions	429,270
Assets capitalisation during the year	181,760
As at 30 June 2016	429,270

11 INTANGIBLE FIXED ASSETS

11	INTANGIBLE FIXED ASSETS			
		Internally developed	Acquired	Total
		software	software	_
		₹	₹	₹
	Gross block (at cost)			
	As at 1 July 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
	Purchase/internal development	12,345,946	84,039,451	96,385,397
	Deletions/disposals	-		
	As at 30 June 2016	369,885,972	333,880,867	703,766,839
	Accumulated amortisation			
	As at 1 July 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	490,366,650
	Charge for the year	30,915,790	18,956,897	49,872,687
	Deletions/disposals	-	-	-
	As at 30 June 2016	295,571,089	244,668,248	540,239,337
	Net block			
	As at 30 June 2015	92,884,727	24,130,065	117,014,792
		<u> </u>		
	As at 30 June 2016	<u>74,314,883</u>	89,212,619	163,527,502
		Intangible assets		
	Ш	nder developement		
	u	₹		
	As at 1 July 2014	10,385,462		
	Additions	18,583,451		
	Assets capitalisation during the year	28,750,956		
	As at 30 June 2015	217,957		
	Additions	12,252,989		
	Assets capitalisation during the year	12,345,946		
	As at 30 June 2016	125,000		
	A5 41 55 5416 2515			
12	NON-CURRENT INVESTMENTS		30 June 2016	30 June 2015
			₹	₹
	T . d. t	N		
	Trade investments (unquoted at cost, unless otherw	rise stated)		
	Investments in Shares of Cooperative Banks			
	Rupee Co-operative Bank Limited			
	5,000 equity shares of ₹ 10 each fully paid up	oid up)	E0 000	E0 000
	(30 June 2015: 5,000 equity shares of ₹ 10 each fully p	aιυ up)	50,000	50,000
	Saraswat Co-operative Bank Limited			
	1,000 equity shares of ₹ 10 each fully paid up (30 June 2015: 1,000 equity shares of ₹ 10 each fully p	oid up)	10.000	10.000
	(30 June 2013. 1,000 equity strates of \$ 10 each fully p	aιυ up)	10,000	10,000
			60,000	60,000

13 DEFERRED TAX ASSETS (NET)

	30 June 2016	30 June 2015
	₹	₹
Deferred tax assets:		
Provision for leave encashment	22,566,114	22,373,764
Provision for doubtful debts	2,325,868	4,303,880
Future tax deductible expenses	10,581,376	6,286,613
Deferred tax asset	35,473,358	32,964,257
Less: Deferred tax liability		
Difference between tax and book value of fixed assets	(1,059,008)	(1,329,051)
Deferred tax liability	(1,059,008)	(1,329,051)
Deferred tax asset (net)	34,414,350	31,635,206

14 LONG TERM LOANS AND ADVANCES

	Non curre	nt portion	Current portion	(refer note 19)
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	₹	₹	₹	₹
Unsecured, considered good				
Advances recoverable in cash or in kind	-	29,960	41,919,820	27,514,867
Advance income-tax (net of provision for tax of				
₹ 707,746,278, 30 June 2015: ₹ 808,368,514)	20,267,458	19,823,378	-	-
Prepaid expenses	2,328,378	3,689,501	37,524,611	21,058,460
Lease and other deposits	53,649,089	53,082,522	56,000	56,000
Service tax refund receivable	17,875,311	14,724,976	3,112,816	10,194,358
	94,120,236	91,350,337	82,613,247	58,823,685

15 OTHER NON-CURRENT ASSETS

	30 June 2016	30 June 2015
	₹	₹
Margin money deposit	617,123	412,370
Discount in advance	12,740,485	-
Interest accrued on bank deposits	196,707	70,665
	13,554,315	483,035

Margin money deposits

Margin money deposits represent deposit with banks given to various authorities amounting to ₹ 3,423,069 (30 June 2015: ₹ 412,370) which are due to mature after 12 months of the reporting date.

Discount in advance

Discount in advance represent discount given to customer to be amortised over the period of contract.

16	CURRENT INVESTMENT		
		30 June 2016	30 June 2015
	(At lower of cost and fair value)	₹	₹
	Investments in mutual fund		
	Non trade (unquoted)		
	HDFC		
	87,426.547 Liquid Fund Div Reinvest of ₹ 1019.82		
	(30 June 2015: 12,356,246.24 Liquid Fund Div Reinvest of ₹ 10.1982)		
	(net asset value of unquoted investment)	89,159,341	126,011,470
	ICICI Prudential		
	525,691.147 Liquid Fund Div Reinvest of ₹ 100.0989		
	(30 June 2015: 1,091,144.304 Liquid Fund Div Reinvest of ₹ 100.0636)	50 004 400	100 100 007
	(net asset value of unquoted investment)	52,621,106	109,183,827
	Birla Sun Life		
	993,647.686 Liquid fund Div reinvest of ₹ 100.1950		
	(30 June 2015: 1,375,753.59 Liquid fund Div reinvest of ₹ 100.1950)	00 550 530	107 040 601
	(net asset value of unquoted investment)	99,558,530	137,843,631
		241,338,977	373,038,928
	Aggregate amount of unquoted investments	241,338,977	373,038,928
17	TRADE RECEIVABLES	, ,	, ,
	(Unsecured)		
	Receivables for a period exceeding six months from the		
	date they are due for payment		
	Considered good	4,335,540	24,463,754
	Considered doubtful	5,970,716	12,194,571
	Less: Provision for doubtful receivable	(5,970,716)	(12,194,571)
	(A)	4,335,540	24,463,754
	Other receivables	, ,	, ,
	Considered good	387,526,207	347,101,369
	Considered doubtful	-	-
	Less: Provision for doubtful receivable		
	(B)	387,526,207	347,101,369
	(A + B)	391,861,747	371,565,123
	Trade receivables include:		
	Due from group companies in which director and		
	member are interested (Refer to note 34)	30,319,678	28,126,881
18	CASH AND BANK BALANCE		
	Cash and cash equivalents		
	Balances with bank		
	on current accounts	239,491,081	179,412,847
	in EEFC accounts	705,729	16,846,166
	Other bank balances		
	Bank deposit maturing within one year from reporting date	-	-
	Margin money deposits	3,423,069	3,496,244
	Unclaimed dividend *	24,065,484	18,127,220
		267,685,363	217,882,477
	*The Company can utilise this halance only towards settlement of unclaimed	dividond	

^{*}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 ₹ 3,423,069 (30 June 2015: ₹ 3,496,244) which are due to mature within 12 months of the reporting date.



No	tes to the consolidated financial statements	30 June 2016 ₹	30 June 2015 ₹
19	SHORT TERM LOANS AND ADVANCES		
	Unsecured, considered good unless otherwise stated Advances recoverable in cash or kind (refer note 14) Service tax refund receivable (refer note 14) Prepaid expenses (refer note 14) Lease and other deposits (refer note 14) MAT credit entitlement	41,919,820 3,112,816 37,524,611 56,000 	27,514,867 10,194,358 21,058,460 56,000 5,053,203 63,876,888
20	OTHER CURRENT ASSETS	02,013,247	
	Interest accrued on bank deposits VAT receivable Unbilled revenue (refer note 34 and 37) Discount in advance Discount in advance Discount in advance represent discount given to customer	117,599 293,220 273,889,941 2,430,720 276,731,480	231,371 - 206,121,108 - 206,352,479
	to be amortised over the period of contract. Unbilled revenue include: Revenue from group companies	22,851,611	16,291,342
		Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
21	REVENUE FROM OPERATION		
	Sale of services Other operating revenue Reimbursement from clients	3,397,088,294 12,729,020 3,409,817,314	3,016,754,373 11,482,572 3,028,236,945
22	OTHER INCOME		
	Interest on bank deposits Interest on income tax refunds Foreign exchange gain, net Credit balances written back Dividend from mutual fund Profit on sale of asset, net Miscellaneous income	352,042 - 44,473,853 29,038,273 11,301,542 - 4,323,787 89,489,497	919,594 5,995,211 26,875,907 1,743,723 11,790,172 337,990 9,462,039 57,124,636
23	EMPLOYEE BENEFITS EXPENSE		
	Salaries and incentives Contribution to provident fund and other funds Staff welfare expenses Gratuity (refer note 32)	1,317,438,901 37,211,760 47,705,001 14,001,382 1,416,357,044	1,199,281,683 33,884,020 43,940,840 11,552,065 1,288,658,608

25 DE An Ac Au	PRECIATION AND AMORTIZATION EXPENSE Expreciation of tangible assets mortisation of intangible assets there expenses divertisement and sales promotion uditors remuneration (refer below) commission and brokerage	83,239,188 49,872,687 133,111,875 28,705,148 6,492,866	4,881,795 4,881,795 4,881,795 84,185,240 49,035,566 133,220,806
25 DE An Ac Au	EPRECIATION AND AMORTIZATION EXPENSE epreciation of tangible assets	83,239,188 49,872,687 133,111,875 28,705,148	4,881,795 84,185,240 49,035,566 133,220,806
26 O1 Acc	rher expenses divertisement and sales promotion uditors remuneration (refer below)	83,239,188 49,872,687 133,111,875 28,705,148	84,185,240 49,035,566 133,220,806
26 O1 Acc	rher expenses divertisement and sales promotion uditors remuneration (refer below)	49,872,687 133,111,875 28,705,148	49,035,566 133,220,806
26 O1 Acc	rher expenses divertisement and sales promotion uditors remuneration (refer below)	49,872,687 133,111,875 28,705,148	49,035,566 133,220,806
26 O1 Ac Au	THER EXPENSES divertisement and sales promotion	49,872,687 133,111,875 28,705,148	49,035,566 133,220,806
26 O1	THER EXPENSES divertisement and sales promotion	133,111,875 28,705,148	133,220,806
Ac	dvertisement and sales promotion	28,705,148	
Ac	dvertisement and sales promotion		22,635,455
Au	uditors remuneration (refer below)		22,635,455
	·	6,492,866	
C_{c}	ommission and brokerage		5,655,471
		4,720,114	23,962,112
	ommunication charges	21,107,697	19,369,487
	omputer consumables	954,972	397,706
	onnectivity charges	14,872,311	10,979,163
	ata processing charges	11,890,921	12,051,916
	rector's commission	500,000	400,000
	rector's sitting and committee fees	2,373,083	1,551,423
	ontribution to corporate social responsibility (refer note 38)	23,800,000	19,000,000
	surance	4,365,799	4,257,330
	egal and professional fees	28,366,362	14,647,238
	anagement fees	31,513,710	24,270,351
	embership and subscription	10,299,754 31,154,987	8,163,141
	ower, fuel and water chargesinting and stationery	1,988,148	29,057,538 2,266,056
	eversal)/provision for doubtful debts	(6,223,855)	790,047
	ad debt written off	6,254,491	9,889,581
	ates and taxes	4,197,518	14,767,136
	ess on sale of fixed assets, net	366,013	14,707,100
	ecruitment expenses	3,136,506	4,283,844
	ent (refer note 35)	77,146,410	77,227,151
	epair and maintenance :	, ,	, ,
_	Machinery	4,567,767	6,623,737
_	Others	18,338,431	17,580,731
So	oftware and maintenance	157,215,409	116,845,112
Te	chnical consultants charges	77,675,417	56,366,331
Tra	avelling and conveyance	80,579,632	76,074,037
Mi	scellaneous expenses	31,148,279	30,746,233
		677,507,890	609,858,327
Αι	uditor's remuneration		
	atutory audit fees	5,787,420	5,012,020
	ther services (tax audit and certification)	381,640	475,000
Οι	ut of pocket expenses	323,806	168,451
		6,492,866	5,655,471

NC	tes to the consolidated financial statements	Year ended 30 June 2016	Year ended 30 June 2015		
		₹	₹		
27	PRODUCT DEVELOPMENT COST CAPITALISED				
	Payroll cost	12,249,115	15,397,354		
	Technical consultant charges	-	2,994,558		
	Other direct cost	3,850	248,369		
		12,252,965	18,640,281		
28	EARNING PER EQUITY SHARE (EPS)				
	Number of shares (face value ₹ 10 each)	14,926,261	14,926,261		
	Profit after tax	830,228,689	673,970,178		
	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	55.62	45.15		
	Diluted earnings per share	55.62	45.15		
29	CAPITAL AND OTHER COMMITMENTS				
	Estimated amount of contracts remaining to be executed on	0.4 .00 000	500.005		
	capital account, to the extent not provided (net of advances)	21,498,082	508,995		
30	CONTINGENT LIABILITIES				
	Claims against the Company pertaining to Sales Tax with				
	Asst. Commissioner of Sales Tax (Appeals) - For F.Y. 2001-02	7 070 720	7 070 700		
	(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 for which an appeal has been filed.				
	Claim against Company not acknowledge as debt	17,875,311	14,724,976		
	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	NET DIVIDEND REMITTED IN FOREIGN EXCHANGE				
	Year of remittance (ending on)	Year ended 30 June 2016	Year ended 30 June 2015		
	Period to which the dividend relates	2014-15	2013-14		
	remod to which the dividend relates	(Final	(Final		
		dividend)	dividend)		
	Numbers of non-resident shareholders	18	19		
	Numbers of equity shares held on which dividend was due	11,183,244	11,187,844		
	Amount remitted	279,581,100	246,132,568		
	Period to which it relates	2015-16	2014-15		
		(Interim	(Interim		
		dividend)	dividend)		
	Numbers of non-resident shareholders	18	18		
	Numbers of equity shares held on which dividend was due	11,183,244	11,184,344		
	Amount remitted	167,748,660	123,027,784		

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.

Cha	nges in present value of obligations	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
a)	Liability recognised in the balance sheet	`	`
-	i) Present value of obligation		
	Opening balance	56,225,476	45,607,120
	Current service cost	10,400,936	9,621,587
	Interest cost	4,183,926	3,805,370
	Actuarial gain on obligations	3,113,442	1,919,965
	Benefits paid	(9,144,135)	(4,728,566)
	Closing balance (i)	64,779,645	56,225,476
	ii) Fair value of plan assets		
	Opening balance	43,444,407	38,139,760
	Expected return on plan assets	3,868,212	3,500,519
	Employer's contributions	13,272,069	6,238,355
	Actuarial gain/(loss) on plan assets	(171,290)	294,339
	Benefits paid	(9,144,135)	(4,728,566)
	Closing balance (ii)	51,269,263	43,444,407
	Net liability recognised in the balance sheet (i - ii)	13,510,382	12,781,069
b)	Expenses recognised in statement of profit and loss		
	Current service cost	10,400,936	9,621,587
	Interest cost	4,183,926	3,805,370
	Expected return on plan assets	(3,868,212)	(3,500,519)
	Net actuarial gain recognised during the period	3,284,732	1,625,626
	Expenses recognised in statement of profit and loss	14,001,382	11,552,065
c)	Break up of Plan assets		
	LIC of India - Insurer Managed Fund	100.00%	100.00%
d)	Principal actuarial assumptions		
	Rate of discounting	7.70%	8.10%
	Expected return on plan assets	8.50%	9.00%
	Rate of increase in salary cost to company	5.00%	5.00%
	Attrition rate	13.00%	13.00%
	Mortality	Indian Assured	Indian Assured
		Lives Mortality	Lives Mortality
		(2006-08)	(2006-08)
		ultimate	ultimate
	Normal retirement age	58 years	58 years

Experience adjustment	Year ended 30 June 2016	Year ended 30 June 2015	Year ended 30 June 2014	Year ended 30 June 2013	Year ended 30 June 2012
	₹	₹	₹	₹	₹
Present value of obligation	64,779,645	56,225,476	45,607,120	42,625,324	36,980,044
Plan assets	51,269,263	43,444,407	38,139,760	38,032,777	31,072,000
Surplus (deficit)	(13,510,382)	(12,781,069)	(7,467,360)	(4,592,547)	(5,818,044)
Experience adjustments on plan liabilities (loss)/gain	1,704,152	(121,529)	1,027,170	2,127,217	3,274,195
Experience adjustments on plan assets (loss)/gain	(56,252)	(391,576)	(281,638)	780,327	(1,023,876)

The Company estimates that the balance amount to be contributed to the gratuity fund during the financial year 2016-17 will be ₹ 13,510,382.

Leave encashment

The liability towards compensated absences (annual leave) for the year ended 30 June 2016 based on actuarial valuation carried out using projected unit benefit method resulted in increase in liability by ₹ 2,076,156 (30 June 2015: ₹ 2,805,241)

	Year ended	Year ended
	30 June 2016	30 June 2015
	₹	₹
Principal actuarial assumptions		
Rate of discounting	7.70%	8.10%
Rate of increase in cost to company	10.00%	11.00%
Attrition rate	13.00%	13.00%
Mortality	Indian Assured	Indian Assured
	Lives Mortality	Lives Mortality
	(2006-08)	(2006-08)
	ultimate	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 ₹ 32,322,871 (2015: ₹ 28,948,311).

33 SEGMENTAL REPORTING

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

Geographic segments

Continents	Country
Asia Pacific	India, China, New Zealand, Japan, Hong Kong, Singapore, Indonesia, Australia, Bangladesh, Fiji, Malaysia, Russia, South Korea, Seychelles, Sultanate of Brunei, Taiwan, Thailand, Vietnam, Lebanon, Philippines, Afghanistan and SriLanka
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, Turkey, Romania, Belgium and Lithuania

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 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	Reve	enue	Capital employed		
	For the year ended 30 June 2016 ₹	For the year ended 30 June 2015 ₹	As at 30 June 2016 ₹	As at 30 June 2015 ₹	
Asia Pacific	1,019,472,202	961,654,123	314,723,230	243,012,137	
Middle East and Africa	633,337,989	588,965,163	118,713,561	59,070,501	
Americas	1,108,584,332	939,855,789	267,907,690	111,097,061	
Europe	648,422,791	537,761,870	628,413,292	559,354,780	
Un-allocable assets	-	-	(198,433,633)	178,228,063	
Total	3,409,817,314	3,028,236,945	1,131,324,140	1,150,762,542	

34 RELATED PARTY TRANSACTIONS

(A) Related party disclosures

Related parties where control exists	Name		
Holding company	Accelya Holding World S.L.U.		
Fellow Subsidiary	Accelya World S.L.U.		
	Accelya UK Limited		
	Accelya France SAS		
	Accelya America, S.A. de C.V.		
Key management personnel	Philippe Lesueur - Chairman		
	Vipul Jain * - Managing Director (till 30 September 2015)		
	Neela Bhattacherjee * - Managing Director (w.e.f. 1 October 2015)		
	Gurudas Shenoy - Chief Financial Officer		
	Ninad Umranikar - Company Secretary		
Other related party	Catalysts for Social Action		

Note: * The shareholders of the Company at the Annual General Meeting held on 30 September 2015, approved the appointment of a) Ms. Neela Bhattacherjee as Managing Director of the Company and b) Mr. Vipul Jain and Mr. John Johnston as Non-Executive Directors of the Company w.e.f. 1 October 2015.

(B) Transactions with related parties

(Amount in ₹)

Nature of transactions	Year ended	Holding	Fellow Subsidiary	Other related party	Key management personnel	Total
Services rendered by the Company	30 June 2016	31,943,468	234,240,895	-	-	266,184,363
	30 June 2015	11,812,952	174,949,984	-	-	186,762,937
Services received by the Company	30 June 2016	29,165,795	106,769,126	-	-	135,934,921
	30 June 2015	-	66,173,041	-	-	66,173,041
Claims raised for expenses	30 June 2016	5,504,423	34,087,608	-	-	39,592,031
	30 June 2015	7,622,231	23,034,633	-	-	30,656,864
Claims received for expenses	30 June 2016	16,236,207	8,318,154	-	-	24,554,361
	30 June 2015	27,829,811	5,461,658	-	-	33,291,469
Remuneration	30 June 2016	-	-	-	36,755,822	36,755,822
	30 June 2015	-	-	-	36,779,929	36,779,929
Contribution to Corporate Social Responsibility	30 June 2016	-	-	23,800,000	-	23,800,000
	30 June 2015	-	-	19,000,000	-	19,000,000
Dividend Paid	30 June 2016	167,149,425	-	-	301,735	167,451,160
	30 June 2015	122,576,245	-	-	279,796	122,856,041
Balances outstanding	-					
Payable	30 June 2016	16,957,041	31,656,392	-	-	48,613,433
	30 June 2015	6,533,580	9,685,043	-	-	16,218,623
Trade receivables	30 June 2016	2,307,941	28,011,737	-	-	30,319,678
	30 June 2015	2,713,945	25,412,936	-	-	28,126,881
Unbilled revenue	30 June 2016	2,816,971	20,034,640	-	-	22,851,611
	30 June 2015	2,680,363	13,610,979	-	-	16,291,342

34 RELATED PARTY TRANSACTIONS (Continued)

RELATED FARTY TRANSACTIONS (COntinued)		
(C) Of the above items, transactions in excess of 10% of the	Year ended	Year ended
total related party transactions are as under	30 June 2016	30 June 2015
Nature of transaction	₹	₹
Services rendered by the Company		
Accelya Holding World S.L.U.	31,943,468	11,812,952
Accelya World S.L.U.	163,332,820	129,404,968
Accelya France SAS	22,110,617	15,936,629
Accelya UK Limited	46,255,202	25,772,942
Accelya America, S.A. de C.V.	2,542,256	3,835,445
Services received by the Company	_,-,,	2,222,112
Accelya World S.L.U.	103,997,025	62,669,231
Accelya Holding World S.L.U.	29,165,795	-
Accelya UK Limited	2,772,101	3,503,810
Claims raised for expenses	, ,	, ,
Accelya World S.L.U.	27,483,747	19,213,638
Accelya Holding World S.L.U	5,504,423	7,622,231
Accelya France SAS	5,454,703	2,052,915
Accelya UK Limited	602,443	1,149,411
Accelya America, S.A. de C.V.	546,717	618,669
Claims received for expenses		
Accelya World S.L.U.	1,126,572	436,674
Accelya Holding World S.L.U.	16,236,207	27,829,811
Accelya UK Limited	5,913,735	5,024,984
Accelya America, S.A. de C.V.	1,277,847	-
Remuneration		
Vipul Jain	17,309,396	25,313,405
Neela Bhattacherjee	10,099,506	-
Gurudas Shenoy	6,296,956	7,651,122
Ninad Umranikar	3,049,964	3,815,402
Donation paid		
Accelya Holding World S.L.U	167,149,425	122,576,245
Gurudas Shenoy	86,600	71,445
Neela Bhattacherjee	31,335	
Ninad Umranikar	183,800	208,351
Contribution to Corporate Social Responsibility		
Catalysts for Social Action	23,800,000	19,000,000
Payable	40.055.044	0 500 500
Accelya Holding World S.L.U.	16,957,041	6,533,580
Accelya World S.L.U.	28,002,508	9,039,305
Accelya UK Limited	3,436,549	645,738
Accelya America, S.A. de C.V.	217,335	0.450.000
Vipul Jain	-	2,150,000
Trade receivables Accelya Holding World S.L.U	2 207 041	0.710.045
Accelya Holding World S.L.U.	2,307,941	2,713,945
Accelya World S.L.O. Accelya France SAS	19,607,063 5,080,711	15,717,282 3,655,782
Accelya France SAS	3,111,684	5,309,790
Accelya OK Liffiled	212,279	730,082
Unbilled revenue	212,219	730,002
Accelya Holding World S.L.U.	2,816,971	2,680,363
Accelya Holding World S.E.U.	11,425,654	10,663,320
Accelya World O.E.O.	4,584,516	1,224,847
Accelya UK Limited	3,898,613	1,686,017
Accelya America, S.A. de C.V.	125,857	36,795
. 550, 47, 111, 1104, 57, 114, 114, 114, 114, 114, 114, 114, 11	120,001	00,700

35 LEASES

Operating lease

The lease rental (including hire charges) for office premises, guest house and godown charged to statement of profit and loss aggregates to ₹ 77,146,410 (30 June 2015: ₹ 77,227,151).

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

Due:	30 June 2016	30 June 2015
	₹	₹
Not later than one year	73,650,127	70,185,090
Later than one year and not later than five years	177,576,662	180,626,237

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

Based on information and records available, the Company has no dues to micro and small enterprises during the years ended 30 June 2016 and 30 June 2015 and as at 30 June 2016 and 30 June 2015.

Particulars	30 June 2016 ₹	30 June 2015 ₹
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 ₹ 63,353,338 (30 June 2015: ₹ 20,072,019)
- 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 ₹ 237.60 lakhs. The total amount spent by the Company through CSA is ₹ 238 lakhs.

Amount in ₹

CSR Activities	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	23,800,000	-	23,800,000

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 in ₹

Particulars	Note No.	Amount as per Previous year financials	Revision in the amount for Previous year	Revised amount for Previous year	Remark
Other current liabilities	8	104,730,160	165,014	104,895,174	Rearranged
Short-term provisions	9	668,781,917	(164,954)	668,616,963	Rearranged
Short term loans and advances	19	77,879,217	(14,002,329)	63,876,888	Rearranged
Other current assets	20	192,350,150	14,002,329	206,352,479	Rearranged

- **40** During the previous year, pursuant to the requirement of the Companies Act, 2013 (the "Act"), the Company revised the depreciation rate for end use computers, based on the estimated useful life as prescribed by the Schedule II to the Act. Accordingly the Company has adjusted the net residual value as at 1 July 2014 aggregating to ₹ 1,016,247 and deferred tax thereon of ₹ 345,422 to retained earnings.
- 41 During the previous year, 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 Zero Octa UK Limited (ZOUK) and other assets and liabilities of the Company, being the owner of KRAS.

The liquidator has completed liquidation process and the Company is dissolved on 15 March 2016.

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

		Net Assets [Total Assets- Total Liabilities]		Share in Profit or Loss	
Name of Entity	As % of consolidated net asets	Amount ₹	As % of consolidated profit and loss	Amount ₹	
30 June 2016					
Parent Company	83.94%	949,644,739	97.19%	806,910,594	
Accelya Kale Solutions Limited					
Subsidiaries					
Kale Softech Inc.	5.79%	65,455,956	1.00%	8,341,712	
Zero Octa UK Limited	10.27%	116,223,445	1.80%	14,976,383	
Total	100.00%	1,131,324,140	100.00%	830,228,689	
30 June 2015					
Parent Company					
Accelya Kale Solutions Limited	82.17%	945,591,327	84.97%	572,693,058	
Subsidiaries					
Kale Softech 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.

Notes to the consolidated financial statements

- 43 During the previous year, the Company received income tax refund for the financial years 2008-09, 2009-10 and 2010-11 amounting to ₹ 31,866,760 of which interest on income tax refund amounting to ₹ 5,995,211 accounted in profit and loss account under other income. (refer to note 22)
- 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.

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 2016		30 June 2016		30 Ji	une 2015
		Foreign currency	₹	Foreign currency	₹		
Forward exchange contract (to hedge highly probable exports)	USD EUR GBP	20,200,000 4,400,000 1,650,000	1,363,904,000 330,656,040 149,854,980	14,200,000 2,100,000 1,110,000	903,972,000 149,460,990 111,054,723		

- 47 During the year an audit was conducted by the Service Tax authorities. Subsequent to the year end, Service Tax authorities have observed that certain transactions were chargeable to tax under Reverse Charge Mechanism and Cenvat credit was not eligible for certain transactions. The Company is in the process of evaluating these observations and is in process of submitting its responses to the Service Tax authorities.
- 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: 3 August, 2016 For and on behalf of Board of Directors Accelya Kale Solutions Limited CIN: L74140PN1986PLC041033

Philippe Lesueur Chairman DIN: 03327819

Gurudas Shenoy Chief Financial Officer

Ninad Umranikar Company Secretary ACS 14201

DIN: 01912483

Neela Bhattacherjee

Managing Director

Place: Mumbai Date: 3 August, 2016

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)

Amount in ₹

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	67.52	90.82
3	Financial year end on	30th June 2016	30th June 2016
4	Share capital	877,760	100,810
5	Reserves and surplus	122,558,928	114,237,483
6	Total assets	266,048,043	161,375,515
7	Total Liabilities	142,611,355	47,037,222
8	Investments	-	-
9	Turnover	904,101,172	249,603,058
10	Profit before taxation	47,191,619	17,653,773
11	Provision for taxation	18,988,447	3,552,969
12	Profit after taxation	28,203,172	14,100,804
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%

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

Philippe Lesueur Chairman DIN: 03327819 Neela Bhattacherjee Managing Director DIN: 01912483

Gurudas Shenoy Chief Financial Officer

Ninad Umranikar Company Secretary ACS 14201

Place: Mumbai Date: 3 August, 2016

Shareholder Information

Shareholder Information

1. Annual General Meeting

Date and Time - Wednesday, 5th October, 2016 at 12.00 noon

Venue - Sumant Moolgaokar Auditorium, 'A Wing', Ground Floor,

Mahratta Chamber of Commerce, Industries and Agriculture,

Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune 411 016

Book Closure Dates - Wednesday, 28th September, 2016 to Wednesday, 5th October, 2016

(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
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Tel.: (022) 22721233 / 34	532268	November 16, 1999	Paid
National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Tel.: (022) 2659 8100 –14	ACCELYA	December 1, 1999	Paid

4. Share Transfer System

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, 2016)

Type of Holding	Percentage to Share Capital
Physical	1.04%
Dematerialized	98.96%
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	Kale Share Price (Rs.)		NSE S&P	CNX Nifty
	High	Low	High	Low
July, 2015	1,148.25	975.20	8,654.75	8,315.40
August, 2015	1,229.80	930.00	8,621.55	7,667.25
September, 2015	1,016.70	900.00	8,055.00	7,539.50
October, 2015	969.00	916.35	8,336.30	7,930.65
November, 2015	980.00	905.10	8,116.10	7,714.15
December, 2015	961.00	901.00	7,979.30	7,551.05
January, 2016	978.00	777.70	7,972.55	7,241.50
February, 2016	960.00	835.05	7,600.45	6,825.80
March, 2016	928.00	856.00	7,777.60	7,035.10
April, 2016	954.00	862.00	7,992.00	7,516.85
May, 2016	1,139.95	905.15	8,213.60	7,678.35
June, 2016	1,154.00	1,052.00	8,294.95	7,927.05

8. Distribution of Shareholding as on 30 June, 2016

Shareholding Range	No. of Shareholders	Percentage	Shareholding	Percentage
Up to 500	13,882	95.13	1,090,234	7.30
501 – 1000	360	2.47	277,576	1.86
1001 – 2000	180	1.23	260,936	1.75
2001 – 3000	59	0.40	150,243	1.01
3001 – 4000	24	0.16	82,022	0.55
4001 – 5000	27	0.19	123,458	0.83
5001 – 10000	32	0.22	227,008	1.52
10001 and above	29	0.20	12,714,784	85.18
TOTAL	14,593	100.00	14,926,261	100.00

9. Investor Complaints

During the year, the Company received 21 complaints all of which were resolved during the year and there were no complaints pending at the end of the year.

Shareholder Information

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	5 th October, 2015
National Stock Exchange of India Limited	5 th October, 2015
BSE Limited	4 th January, 2016
National Stock Exchange of India Limited	1 ^{sh} January, 2016
BSE Limited	4 th April, 2016
National Stock Exchange of India Limited	5 th April, 2016
BSE India	1 st July, 2016
National Stock Exchange of India Limited	1 st July, 2016

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

10. Financial Calendar

The tentative calendar of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 30th June, 2017 is as follows:

Quarter /Year ended	Month of approval of Financial Results
30 th September, 2016	October / November, 2016
31st December, 2016	January / February, 2017
31st March, 2017	April / May, 2017
30 th June, 2017	July / August, 2017



ACCELYA KALE SOLUTIONS LIMITED

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

CIN: L74140PN1986PLC041033

NOTICE

NOTICE IS HEREBY GIVEN THAT the thirtieth Annual General Meeting (AGM) of the members of Accelya Kale Solutions Limited (CIN: L74140PN1986PLC041033) will be held on Wednesday, the 5th day of October, 2016 at 12.00 noon at Sumant Moolgaokar Auditorium, 'A Wing', Ground Floor, Mahratta Chamber of Commerce, Industries and Agriculture, Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune 411 016, 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, 2016, together with the Reports of the Directors and Auditors thereon.
- To confirm payment of interim dividend and declare a final dividend on equity shares.
- To appoint a Director in place of Mr. Vipul Jain (DIN 00142518), who retires by rotation and being eligible, offers himself for re-appointment.
- To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 - "RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, B S R & Co. LLP, Chartered Accountants, (Firm's Registration No. 101248W/W-100022), be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the 31st AGM of the Company."

By the Order of the Board of Directors

Ninad Umranikar Company Secretary ACS: 14201

Place: Mumbai Date: 3rd August, 2016

Notes:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 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.
- The Register of Members and Transfer Books of the Company will be closed from Wednesday, the 28th day of September, 2016 to Wednesday, the 5th day of October, 2016 (both days inclusive), for the purpose of dividend and AGM.
- If the Final Dividend as recommended by the Board of Directors is approved at the AGM, payment of such dividend will be made on 18th and/or 19th October, 2016 as under:
 - 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 Tuesday, the 27th day of September, 2016;
 - 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 Tuesday, the 27th day of September, 2016.

Annual General Meeting Notice

- 4. 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.
- 5. 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.
- 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.
- 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 ertswhile Companies Act, 1956) be transferred to the Investor Education Protection Fund.
- 8. The Notice of the AGM along with the Annual Report for 2015-16 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.
- 9. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Karvy/Depositories.
- 10. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder read with regulation 44 of the SEBI Listing Regulations, Members are provided with the facility to cast their vote electronically, through the evoting 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."
- xi. The voting rights shall be as per the number of equity shares held by the members as on 28th day of September, 2016 (cut-off 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: 1st October, 2016 (9.00 a.m.) till 4th October, 2016 (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's ection of https://evoting.karvy.com or call Karvy Computershare Private Limited on 1800 345 4001 (toll free).

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

In case of Members whose e-mail addresses are not registered with the Company / Depository Participants, their User ID and initial Password / PIN is provided on the attendance slip being sent with the AGM Notice.

Please follow all steps mentioned in A above, to cast your vote.

C. 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 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 AGM i.e. 5th October, 2016.

By the Order of the Board of Directors

Ninad Umranikar Company Secretary ACS: 14201

Place: Mumbai Date: 3rd August, 2016

Annual General Meeting Notice

This page is intentionally kept blank



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: accelyakale.investors@accelya.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	nember (s) :		
Registered a	dress :		
E-mail Id	:		
Folio No/Clie	nt ID :		
DP ID	:		
I/We, being the	member (s) of sha	ares of the above named company, hereby appoint	
1. Name	:		
Address	:		
	:		
Signature	:	or failing him / her	
2. Name	:		
Address	:		
	:		
Signature	:	or failing him / her	
3. Name	:		
Address			
Signature	:		
Company to be Ground Floor, I	held on Wednesday, the 5th Octob lahratta Chamber of Commerce, In	me/us on my/our behalf at the 30th Annual General Me ber, 2016 at 12.00 noon at Sumant Moolgaokar Auditorius adustries and Agriculture, Trade Tower, ICC Complex, 40 ant thereof in respect of such resolutions as are indicated	m, 'A Wing', 3, Senapati
Resolution No.			
	f audited financial statements (inclu 2016 and the Directors' and Audito	uding audited consolidated financials statements) for the	year ended
		and declaration of final dividend (Ordinary Resolution)	
	•	of the Company, liable to retire by rotation (Ordinary Res	olution)
4. Appointme	nt of Statutory Auditors (Ordinary R	esolution)	
Signed this		day of 2016.	Affix
Signature of sh	areholder :		Revenue Stamp
Signature of Pr	xy 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.



