



SILVERLINE
TECHNOLOGIES LIMITED

23rd
ANNUAL REPORT
2014-2015

BOARD OF DIRECTOR

Ravi Subramanian, Chairman

Mohan Subramanian Wholetime Director

Dr. Narayan Raman

Krishnakumar Subramanian

AUDITORS

P. C. Surana & Co.
Chartered Accountants
205/6 Standard House
83 Maharshi Karve Road
Marine Lines
Mumbai 400 002

REGISTERED OFFICE

No. 121, SDF IV, SEEPZ, Andheri (East),
Mumbai-400 096. Tel. No. 28291950 / 28290322

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-13, Kantilal Maganlal Industrial Estate,
Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W), Mumbai 400 078.
Tel. No. : 25963838 Fax : 25946969

Bankers

The SHAMRAO VITHAL CO-OP BANK LTD

The Lakshmi Vilas Bank Ltd.

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**CHAIRMAN'S SPEECH AT THE ANNUAL GENERAL MEETING
FOR THE YEAR 2014-15 HELD ON DECEMBER 30 2015**

To

The shareholders

Silverline Technologies Ltd

Mumbai



Season's Greetings and Best wishes for 2016 and beyond !!

It gives me great pleasure in extending you all a warm welcome to the 23rd Annual General Meeting of your company. This year in terms of performance was not very significant compared to the previous year but in this year the company took a major strategic decision to revive the company and it is indeed heartening to note that in the last six months we have made considerable headway in formulating a detail business plan to revive the company. We have got this plan fully validated and have initiated several steps to operationalize this new strategic plan. I am taking this opportunity to share with you highlights of this new initiative. I am sure you all will be delighted to hear this development in your company after an impasse for over 6 years. In order to implement this new revival plan the company will be completely revamped as the revival envisages a complete shift from what the company was doing all these years. It is embarking on a very promising new business area SAP which is proving to be a new high growth opportunity in the global arena .

Key Highlights of this revival plan

- Global SAP company with immediate presence in USA ,Canada and Middle East
- SAP Center of Excellence out of India
- Strategic acquisitions in India, Middle East, USA and Canada to jump start the implementation of the revival plan
- Complete professionalize the Board and its operations
- New Management with specialization and Business vision
- It will be SAP all the way and focus on new emerging areas in the SAOP domain

I am sure you all will lend your support to this strategic initiative of your company which will take the company to new level of growth and achievement

Thanking you

Ravi Subramanian
Chairman
5126 Lakeshore road
Burlington .On L7L 1 B9
Speech written on 24-11-2015.

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of **SILVERLINE TECHNOLOGIES LIMITED** will be held Wednesday, 30th December, 2015 at 09.00 A.M at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement as at June 30, 2015 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date together with the notes annexed thereto and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in the place of Shri Krishnakumar Subramanian (DIN 01555329) who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Statutory Auditors

“RESOLVED THAT, pursuant to the provisions of section 139(2) and other applicable provisions, if any, of the Companies Act 2013 and the rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. P C Surana & Co, Chartered Accountants (Firm Registration No.110631W) be and are hereby re-appointed as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting for the financial year 2015-16 on a remuneration to be decided by the Board of Directors.

Place: Mumbai

Dated : 24th November , 2015

Mohan Subramanian
Wholetime Director

SPECIAL BUSINESS

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

4. Issue of the preferential Convertible Warrants

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

“RESOLVED THAT powers conferred on the Board by this resolution at its sole discretion, consent of the Company be and is hereby accorded to the Board to offer, issue and allot on preferential basis upto 18,856,306 (One Crore Eighty Eight Lakhs Fifty Six Thousand Three hundred and Six only) Convertible Warrants of Rs. 10/- (Rupees Ten) each convertible at the option of the holder into one equity share of Rs. 10/- each at a premium of Rs Nil- (or such adjusted numbers for any bonus, stock splits or consolidation, reduction or other reorganization of the capital structure of the company) at a price of Rs. 10.00 per warrant for cash (the pricing which is determined in accordance with the SEBI Guidelines as applicable) aggregating Rs. 188,563,060/- (Rs. Eighteen Crores Eighty Five Lakhs Sixty Three Thousand and Sixty only) and on which 25% is payable on application of convertible warrants and the rest of the amount payable at the time of conversion of warrants into equity shares in one or more tranches within 18 months from the date of issue, at such time or times, in such manner, form and numbers as may be prescribed while granting permission(s), sanction(s) and approval(s) by the aforesaid authorities and / or which the Board may at its absolute discretion consider proper, desirable and expedient by way of pursuant to Sections 42 and all other applicable provisions, if any, of the Companies Act, 2013 and the Guidelines issued by the Securities and Exchange Board of India (SEBI) for Preferential Allotment of Convertible warrants into Equity Shares (including any amendment to or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to the permission(s), sanction(s) and approvals of the SEBI, Reserve Bank of India (RBI), Bombay Stock Exchange Limited and such other authorities as may be required from time to time and subject to such conditions, modifications and alterations as may be prescribed by any one of them while granting such permission(s), sanction(s) and approval(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof for the time being exercising the Preferential allotment(s) to the allottee, whether shareholders of the Company or not, as mentioned herein below:

S.No	Name of the allottee	No.of convertible warrants proposed to be allotted	Category of the allottee
1	Ravi Subramanian	18,856,306	Promoter Director
Total		18,856,306	

and also to seek listing of such securities on the stock exchange(s) in consultation with Advisor(s) appointed for the said purpose, as may be deemed appropriate, fit and proper by the Board.”

“RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid Convertible Warrants shall be made within 15 days from the date of passing of this resolution subject however, to the applicable statutory regulatory provisions and the SEBI & BSE Guidelines”.

“RESOLVED FURTHER THAT the “Relevant Date” under SEBI Guidelines for the purpose of determining the issue price of resultant shares shall be 30th November, 2015, being 30 days prior to the date of passing this resolution.”

“RESOLVED FURTHER THAT the equity shares on conversion of warrants referred to hereinabove shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing shares of the Company including entitlement for dividend.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such actions and to give all such directions, or to do all such acts, deeds, matters and things as may be necessary or desirable and to settle any question or difficulty that may arise in this regard for the purpose of giving effect to the above Resolution.”

5. Issue of the Equity Shares to the promoters of M/S. 2i Solution Inc. Canada

“RESOLVED THAT THE consent be and hereby given to Board of Directors acquire a company incorporated in Canada under the name and style M/S. 2i Solution Inc. Canada by issue of Equity shares of the company and entered into share purchase agreement with the stock holders of said incorporation at price determined by the lead manager valuation report and subject to the approval of concerned authorities as required.”

“RESOLVED FURTHER THAT pursuant to the Section 42 of the Companies Act 2013 and the Rules and provision made under that Act (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the memorandum and Articles of Association of the company and the listing agreement entered into by the company with the stock exchanges where the company shares are listed and subject to guidelines, Subject to the provision of FEMA [Foreign Exchange management Act] and regulations and clarification issued by the Securities and Exchange Board India (hereinafter referred as SEBI) for the time being in force and subject to the approvals, consents and permissions and sanctions of the appropriate authorities (hereinafter collectively referred to as the appropriate Authorities). If and to the extent necessary and subject to such conditions and modifications as may be prescribed under the applicable law imposed while such approval, consents, permissions and the Sanctions (hereinafter referred as “requisite approvals”) which may be agreed by the Board of Directors of the company(hereinafter referred as “the board” which term shall deemed to include any committee which the Board of Directors of the Company may have constituted or herein after constitute to exercise its powers including the power conferred by this Resolution) the Board is hereby authorised to create, issue and allot for consideration other than cash not exceeding 6,00,00,000 (Six Crores) Equity Shares of the company of Rs. 10 each to the shareholders of the said 2i Solution Inc, Canada such as Capital ventures, individual, person and/or incorporation in swap for consideration to acquire an incorporation registered in the Canada called “2i Solutions Inc.” in a such a manner and on such term and conditions as may be determined by the Board in its absolute discretion and in accordance with the guidelines for preferential issue contained in the SEBI (Disclosure and Investor Protection) Guidelines in this behalf.”

“FURTHER RESOLVED THAT the Said Equity shares allotted within the 30 thirty days from the date of this Resolution or 30 days from the date of receipts of any approval of the Securities and Exchange Board of India or any other authority as may be required from time to time.”

RESOLVED FURTHER THAT the equity shares when allotted in terms of this resolution shall rank pari passu in all respects with then existing equity shares of the Company and will be listed at the recognized stock Exchange.”

“RESOLVED FURTHER That for the purpose giving effect to the above resolution, the board be and is hereby authorised on behalf of the Company to take all actions and do all such deeds, matters and things as it may in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of the above mentioned Equity shares and listing thereof with the Stock Exchanges as appropriate and to resolve and settle all questions and difficulties arise in the said proposed issue of shares”.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or the chairman or any officer or director of the Company to give effect to the aforesaid Resolution.”

NOTES:

1. A Member entitled to attend and vote is entitled to appoint proxy/proxies to attend and vote instead of himself/ herself and the proxy need not be a Member. Please read the instructions printed overleaf the Proxy Form attached to this notice before using the Form.
2. The explanatory statement of material facts pursuant to Section 102 of the Companies Act, 2013 in respect of special business set out under Items No. 5 to 6 of the Notice is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd December, 2015 to 30th December, 2015 (Both days inclusive).
4. Members holding shares in physical form are requested to contact M/s Link Intime Share Registry Limited, Registrars and Share Transfer Agents of the Company, at Mumbai – for recording any change of address or nominations. In case of shareholders holding shares in demat form, all such intimations are to be sent to their respective Depository Participants (Dps). Members can also submit their grievances direct to the Company at the following email ID: www.silverline.com
5. As per the provisions of the Companies Act, facility for making nominations is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the RTA / Depository Participants.
6. As per the provisions of Section 205A of the Companies Act, 1956, and Section 124(5) of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. Accordingly, the Company is in process to transfer the balance amount to IEPF all unclaimed / unpaid dividends and will be transferred immediately.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market for registering transfers, transpositions, transmissions etc. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and transfer Agent.
8. Additional information pursuant to clause 49 of the Listing agreement with the stock exchanges in respect of Directors seeking appointment at the AGM are furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment(s).
9. Members are requested to inform the Company their e-mail ID to facilitate quick response from the Company. Ministry of Corporate Affairs has recognised e-mail communication to share holders as effective and efficient means of communication from the Company and also member's communication to the Company. Members may register their e-mail id with the Company and also keep the Company informed of any changes in their e-mail ID.
10. Members who have not so far dematerialized their shares are advised to demat the shares held in physical form which will ensure safety and security for their shares.

11 VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and clause 32 of the listing agreement, the Company has to offer e-voting facility to the members to cast their votes electronically on all Resolutions set forth in the Notice convening the 23rd AGM.

We regret to inform that the e-voting facility will not be available to the members for the 23rd AGM as your share trading are under suspended category and the records of the members are not updated due to blocking of dempo by the NSDL and CDSL.

12 VOTING AT THE VENUE OF THE AGM

In terms of the recent amendment to the Companies (Management and Administration) Rules, 2014, with respect to the voting through electronic means, the Company is pleased to offer the facility for voting by way of polling at the venue of the AGM. Members attending the meeting should note that those who are entitled to vote at the AGM through polling for all businesses specified in the Notice. The voting rights of the members shall be in proportion to their shares of the paid up Equity Share Capital of the Company.

- 13 Postal ballot Form, Proxy and Attendance Slips are enclosed in Page No. 53-55 respectively.

EXPLANATORY STATEMENT PURSUANT TO SECTION TO SECTION 173(2) OF THE COMPANIES ACT 1956**ITEM No.2**

The information or details pertaining to the Director retiring in this meeting and offering himself for re-appointment is as under:

Name	:	Mr. Krishnakumar Subramanian
Date of Birth	:	14th November, 1961

Experience in specific functional area	:	Krishnakumar Subramanian, has over a two decade of rich experience in managing international IT business and last 8 years in Animation area. He is holding a degree in B.Sc. in Statistics from University of Mumbai with a diploma in Computer Science. Spanning a career that started as a Analyst Programmer, he became an entrepreneur starting his own software Company providing turnkey solutions to leading Indian
Qualifications	:	B.Sc. Statistics
Other Company in which Directorship held	:	Nextgen Animation Mediaa Ltd., Plantnum International Ltd. & Krishna Godhavari LNG Terminal Pvt. Ltd.
Other public Companies in which		Member of Remuneration & Audit Committee – Nextgen Animation Mediaa Limited Member of Investor Grievance Committee – Nextgen Animation Mediaa Limited
No. of Shares held on 30th June, 2015	:	Nil

Item No. 4.

The Company plans to make Preferential Issue of 18,856,306 Convertible Warrants of Rs. 10/- each for cash at a price of Rs. 10.00/- aggregating to Rs.188,563,060/- (Rs. Eighteen Crores Eighty Five Lakhs Sixty Three Thousand and Sixty only) convertible at the option of the holder into one Equity Shares of Rs. 10/- each at the premium of Rs.Nil /- (or such adjusted numbers for any bonus, stock splits or consolidation, reduction or other reorganization of the capital structure of the company). The details of the same are as under:

a	Relevant date and the price at which allotment is proposed	Relevant date in accordance with the SEBI guidelines for issue of Convertible warrants on preferential basis is 30th November, 2015 and the price at which allotment proposed is Rs. 10.00/-. It is proposed to issue and allot the Warrants of Rs. 10/- each for cash at a premium of Rs. Nil/ - at the option of the holders into one equity share of Rs. 10/- each at the premium of Rs. Nil/- (or such adjusted numbers for any bonus, stock splits or consolidation, reduction or other reorganization of the capital structure of the company) which is in accordance with SEBI preferential allotment guidelines, as applicable
b	Number of Equity Shares proposed to be allotted on preferential allotment basis pursuant to Special Resolution passed under Section 42 of the Companies Act, 2013	18,856,306 Convertible Warrants of Rs. 10/- each for cash at a price of Rs. 10.00/- each for cash aggregating to . Rs. 188,563,060/- in one & more trenches.
c	Objects of the Issue	To augment the financial resources of the Company.
d	Intention of the Promoters/ Directors/Key Management Personnel to subscribe to the offer and terms of payment.	The Promoter Director is applying in this issue. The allottee intend to subscribe to the tune of 18,856,306 Convertible Warrants of Rs. 10/- each for cash at a price of Rs. 10.00/- each for cash. 25% payable on Convertible Warrants at the time of application. Rest of the amount at the time of conversion of warrants into equity shares which will be within 18 months from the date of Issue
e	Proposed time within which the allotment shall be complete	The Warrants are proposed to be allotted within 15 days of the passing of the Special Resolution approving their respective allotment. Provided that where the allotment is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of such approval.
f	Lock in period	The Convertible Warrants into Equity Shares proposed to be allotted on preferential issue basis shall be locked in as per the SEBI Guidelines for Preferential Issues.
g	Consequential changes, if any, in the Board of Directors	The proposed preferential allotment shall not result into any changes in the Board of Directors.

(h) Identity, No. of Convertible Warrants proposed to be allotted, total number of shares to be held post-preferential allotment, Percentage of Post Preferential equity capital held by each of the allottees:

S.No	Name of the Applicant	Category	No. of Equity Shares/Warrants proposed to be allotted	% of expanded Equity share capital
1	Ravi Subramanian	Promoter Director	18,856,306	23.92%
Total			18,856,306	23.92%

(i) Holding of the allottees prior to the allotment & post allotment

S.No	Name of the Applicant	Category	Prior Holding (No. of Equity shares)	Post holding (No. of Equity shares)
1	Ravi Subramanian	Promoter Director	0% (Nil)	23.92% (18,856,306)
Total			0% (Nil)	23.92% (18,856,306)

(j) Consequential changes in the shareholding pattern/voting rights :

S.No	Category	Pre-allotment in terms of shares		Post-allotment in terms of shares	
		No.	%	No.	%
A.	Promoters & persons acting in concert	5,625	0.01	18,861,931	23.92%
	Total (A)	5,625	0.01	18,861,931	23.92%
B.	Mutual Funds/ Financial Institutional Investors/ Banks	2,541	0.00	2,541	0.00%
	Central Govt. / State Govt.	0	0.00	0	0.00%
	Total (B)	2,541	0.00	2,541	0.00%
C.	Public/NRI/OCBs	59,977,322	99.99	59,977,322	76.07%
	Total (C)	59,977,322	99.99	59,977,322	76.07%
	Total (A+B+C)	59,985,488	100.00	78,841,794	100.00%

(k) The company would re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so;

(l) If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees.

The proposed preferential allotment shall not result in change in Management control. Voting rights shall change in accordance with the shareholding pattern as above mentioned. A copy of the certificate received from the auditors of the Company in connection with the pricing of the proposed preferential issue shall be available for inspection during business hours on all working days at the Registered Office of the Company till the date of the ensuing Annual General Meeting. The Board recommends the above resolution for your approval. No Directors may be deemed to be concerned/ interested in the resolution

Mr. Ravi Subramanian Chairman / Directors of the company is concerned or interested in this Resolution.

Item no. 5

Considering the potential of your company and in the best interest of the shareholders of the company with its global presence your director has decided the inorganic growth of the company through issue of the company Equity shares in accordance with the SEBI guideline and provision and Rules of the various Act as prescribed to issue such shares.

Further to members approval the Company will issue the Equity shares of the Company to the stock holders of 2i Solution Inc, a Company registered in Canada at the value determined by the Lead manager as per SEBI guideline. The necessary application is under process with FIPB.

The shares may be listed at the recognized Stock Exchanges in India and paripassu with the existing share.

The Special resolution, passed, will have the effect of allowing the Board to issue and allot shares to the stock holders of the 2i Solutions Inc. Canada.

None of the Directors of the company is concerned or interested in this Resolution.

Your Director recommends the Resolution set out in item no 4&5 of the notice for the approval of members.

Place: Mumbai

Dated : 24th November, 2015

By order of the Board
Silverline Technologies Limited
Mohan Subramanian
Wholetime Director

DIRECTOR REPORT

Your directors have pleasure in submitting their 23rd Annual Report together with the audited accounts for the year ended 30th June, 2015.

Financial Results (Consolidated)

	Year Ended 1/7/2014 to 30/6/2015 Rs. In Lacs	Year Ended 1/7/2013 to 30/6/2014 Rs. In Lacs
Export	301.65	764.95
Domestic Sales	0	0
Other operating income	0	25.17
Total Turnover	301.65	790.12
Gross profit (i.e., Profit before interest and depreciation)	(15.42)	(155.20)
Profit before exceptional item and tax	(127.96)	(178.18)
Exceptional item – Goodwill	–	(662.41)
Profit after exceptional item (before tax) - PBT	(127.96)	(840.59)
Profit after exceptional item and tax - PAT	(127.96)	(840.59)
Earnings per share - basic and diluted Rs.	(.21)	(-1.40)

Dividend

In view of the losses and carried over losses as at June 30, 2015, no dividend is recommended by your board of directors for the financial year ended 30th June, 2015.

Financial Performance with respect to Operational Performance:

The company report standalone turnover of Rs. 49.01 lacs compare to Rs. 52.03 lacs in the previous year. The net loss during the year of Rs. 20.49 lacs compare to loss of Rs. 43.42 lacs in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry structure and developments:

The Indian information technology IT-ITES industry has played a key role in putting India on the global map. Over the past decade, this sector has become the country's premier growth engine, crossing significant milestones in terms of revenue growth, employment generation and value creation, in addition to becoming the global brand ambassador for India.

According to a recent report developed by NASSCOM, Perspective 2020, the current industry size of IT-BPO approximately USD 60 billion is projected to grow to approximately USD 225 billion by 2020, and possibly larger. It also estimated that up to 80 per cent of this growth would like to come from adjacent areas where traditional IT-BPO work, combined with deep domain knowledge, innovation and IT- based growth engines would help create new opportunities and Market.

(b) Future Outlook

With a compounded annual growth rate (CAGR) of over 24% in the last decade, the Indian IT/ITeS industry has emerged as a key growth engine for the economy, contributing around 5.6% to the country's Gross Domestic Product (GDP) in FY 2011 and also providing direct employment to about 2.3 million people (from just about half a million in 2001). It remains one of the biggest sectors for wealth generation in the country. As per the industry body, NASSCOM, the sector is estimated to provide direct employment to 10 million and indirect employment to 20 million by 2020.

(c) Strategies and Future plans

The Company is also actively examining the possibility of reducing costs at all levels and evaluating new value added products, which will have fresh business in domestic as well as international markets.

(d) Risks and Concerns

The Company recognises that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner. In this regard, the Company has adopted Risk Management Mechanism which involves the Process of systematically identifying all possible risk events which have a potential impact on the business.

Prioritizing the identified risks by the likelihood and the potential impact.

Managing risks by using any of the four techniques namely risk avoidance, risk transfer, risk sharing and risk reduction. Oversight and review of the risk management system and any changes that might affect it. Monitoring and reviewing occurs concurrently throughout the risk management process.

Appropriate communication and consultation with internal and external stakeholders should occur at each stage of the risk management process as well as on the process as a whole.

KEY RISKS

Foreign Exchange Risk

Company is exposed to foreign exchange risk on account of its export sales to other countries.

Credit Risks

Company faces credit risks in case of delays in settlement of dues by clients.

Legal Risks

The Company operates in a complex legal/regulatory environment and is governed by various laws and statutes. Hence the Company is exposed to legal risk exposure. Company has set up an experienced team of professionals and has established a well compliance management to deal with all legal requirements.

Other Risks

Apart from the risks mentioned above, the Company's business is exposed to other operating risks, which are mitigated through regular monitoring and corrective action.

(e) Internal control and systems

The Company has in place a well established internal control procedures covering various areas. Necessary checks and balances have been instituted for timely correction.

Human resources management

Employees are your company's most valuable resource. Your Company continues to create a favourable environment at work place. The company also recognises the importance of training and consequently deposes its work force to various work related courses/seminars including important areas like issues like Technical skills.

Environmental Protection, Health and Safety (EHS)

EHS continues to receive the highest priority in all operational and functional areas at all locations of your Company.

Extract of Annual Return

The extract of annual return in Form MGT – 9 has been annexed with this report and form part of this report.

Number of Board Meetings

The details pertaining to meetings of the Board has been explained under Corporate Governance Report annexed to the director's report and forms part of this report.

Establishment of Vigil Mechanism

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns.

Declaration by Independent Directors

Independent directors of the Company have submitted a declaration that each of them meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Act and revised Clause 49 of the Listing Agreements. Further, there has been no change in the circumstances which may affect their status as Independent director during the year.

Secretarial Audit and statutory Report

The Company appointed Ms. Jeethi Pillai Practising Company Secretaries as Secretarial Auditors, to conduct Secretarial Audit particularly with reference to compliance with Companies Act, 1956/2013, Listing Agreement and relevant SEBI Regulations for the financial year 2014-15. The report of the Secretarial Audit for the financial year 2014-15 in FORM MR-3 is annexed to this report and forms part of this report.

There are disqualifications, reservations or adverse remarks or disclaimers in the Secretarial Auditors Report, which your company would like to rectify in phase manner.

There are no disqualification, reservations or adverse remarks or disclaimers in the Auditor Report. The emphasis matter in the Auditor reports are self explanatory.

Audit Committee

Details of Composition of Audit Committee are covered under Corporate Governance Report annexed with this report and forms part of this report. Further, during this year none of the recommendations of the Audit Committee has been rejected by the Board.

Policy of Directors Appointment and Remuneration

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Act are covered under Nomination and Remuneration Policy covered under Corporate Governance Report and forms part of this report. Further, information about elements of remuneration package of individual directors is provided in the extract of Annual Return as provided under Section 92(3) of the Act, prescribed form MGT-9 annexed with this report and forms part of this Report.

Particulars of Employees

The information required under Rule 5 of the Act and rules made there-under, in respect of employees employed throughout the year and in receipt of remuneration of Rs. 5,00,000 or in aggregate of Rs. 60,00,000 per year - Nil - (Previous Year -Nil-)

Managerial Remuneration

Statistical Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed with this report and forms part of this report.

Related Party Transactions

Transactions entered with related parties have been explained in Form AOC -2 annexed with this report and forms part of this report.

Board Evaluation

The board of directors had carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and clause 49 of the SEBI listing agreement.

In the separate meeting of the Independent directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated taking into account the views of executive directors and non-executive directors. The same was discussed at the next Board Meeting followed the meeting of the Independent directors and the Independent Directors were evaluated without the presence of the director getting evaluated and also the performance of the Board, its Committees and individual directors were also discussed by the Board. The individual directors and the board as a whole in accordance with the performance Evaluation Policy guidelines were evaluated mainly on the basis of the criteria such as attendance, participation, contribution and the benefits derived by the Company. The Chairman was evaluated on the key aspects of his role. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Performance Evaluation policy is uploaded in the Company's website.

Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has set up a Committee for addressing issues related to women and during the financial year 2014-15, there were no complaints received on sexual harassment.

Performance of Subsidiary Companies

Innovative BPO Solutions Inc and Innovative BPO Solution Inc are WOS of the company within the meaning specified under Section 2 (87)(ii) of Companies Act, 2013

Material Changes and Commitments during the year, if any

There were no material changes and commitments between the end of the period under review and the date of this report which could have an impact on the Company's operation in the future or its status as a "going concern".

Significant And Material Orders Passed By The Courts Or Tribunals Impacting The Company NIL

Listing of Shares

Your Company's Shares are traded only in Bombay Stock Exchange which is presently under suspended category.

Annexures to this Report

The following are the annexures to this report Director's Responsibility Statement in Annexure 1

1. Conservation of energy, technology absorption, Research and development and foreign exchange earnings and outgo in Annexure 2
2. Statement containing salient features of the financial statement of associate company (Form AOC – 1) in Annexure 3
3. Form AOC - 2 in Annexure 4
4. Extract of Annual Report (Form MGT-9) in Annexure 5
5. Secretarial Audit Report (Form MR-3) in Annexure 6
6. Particulars of Remuneration in Annexure 7
7. Corporate Governance Report in Annexure 8

Cautionary Note

Statements in the Directors' report and the management discussion and analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results might differ materially from those either expressed or implied in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other related factors such as litigation and industrial relations.

Appreciation

Directors of your Company record their sincere appreciation of the dedication and commitment of all employees in achieving and sustaining excellence in all areas of the business. Your directors thank the Shareholders, Customers, Suppliers, Bankers and other stakeholders for their continued support during the year. Your Company's consistent growth has been made possible by the hard work, solidarity, cooperation and support of the management team.

On behalf of the Board

24th November,2015
Mumbai

Mohan Subramanian
Wholetime Director

Annexure - 1 TO THE DIRECTORS REPORT

(i) Directors' Responsibility Statement as per section 134(5) of the Companies Act, 2013

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the management, the directors hereby confirm that:

- i. in the preparation of the annual accounts for the financial year 30th June,2015, the applicable accounting standards have been followed and there are no material departures;
- ii. they 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 at the end of the financial year and of the loss of the Company for the financial year;
- iii. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Annexure - 2 TO THE DIRECTORS REPORT

A. Conservation of energy:

The Company's operations are not power intensive. Nevertheless, your Company has introduced various measures to conserve and minimize the use of energy.

B. Research & Development (R & D):

- a) Specific areas in which R & D is carried out by the Company:

R&D activities include tools development with the object of devising efficient methods of pre-production phase The Company has in place a quality assurance team to ensure adherence to stringent quality norms.

- b) Benefits derived as a result of the above R&D:

Reduction in cost and improvement in quality adaptability of Software Systems and Packages.

- c) Expenditure on R & D:

Expenditure on R & D has been charged under primary heads of accounts.

C. Technology Absorption. Adaptation & innovation:

No technology has been imported.

Indigenous technology available is continuously being upgraded to improve overall performance.

D. Foreign exchange earnings & Outgo:

Activities relating to Exports & Export Plans:

The Company is making continuous efforts to explore new foreign markets and to enlarge its shares in the existing markets for export of digital animation content.

Information on Foreign Exchange earnings and outgo are specified in the notes to the accounts

Annexure - 3 FORM AOC - 1

PART "A": SUBSIDIARIES

Sr. No	Name of the Subsidiary	Innovative BPO Solutions Inc. Canada	Millennium Inc Canada
1.	Reporting period for the subsidiary concern	01/07/14 to 30/06/15	01/07/14 to 30/06/15
2.	Reporting currency and Exchange rate as on the last date of relevant Financial Year	US\$	US\$
3.	Share Capital	1020000000	5200000000
4.	Reserves & Surplus	(1004764995)	(483925674)
5.	Total Assets	17589460	39019572
6.	Total Liabilities	2354455	2945246
7.	Investments	0	0
8.	Turnover	45,89,260	20674731
9.	Loss before taxation	5,60,915	10186124
10.	Provision for Taxations	0	0
11.	Loss after taxations	5,60,915	10186124
12.	Proposed dividend	0	0
13.	% of Shareholding	0	0

All are in INR converted at Prevailing average rate and at balancing date as applicable.

PART "B": ASSOCIATES

Not applicable since the Company does not have any Associates.

Annexure - 4 Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL
2. Details of material contracts or arrangement or transactions at arm's length basis : NIL

NOTE

There were no materially significant transactions with Related Parties during the financial year 2014-15 which were in conflict with the interest of the Company. Hence the related party transactions of the Company for the financial year 30th June,2015 not fall under the purview of disclosure under Form AOC – 2. Suitable disclosures as required under AS-18 have been made in the Notes to the financial statements.

Annexure - 5 FORM NO. MGT – 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 30th June,2015

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- L99999MH1992PLC066360
- ii) Registration Date : 13-04-1992
- iii) Name of the Company : M/s Silverline Technologies Limited
- iv) Category / Sub-Category of the Company: Company having Share capital/Indian/Non-Government company
- v) Address of the registered office and contact details:
UNIT NO 121,SDF IV SEEPZ ANDHERI EAST MUMBAI 400 096
- vi) Whether listed company Yes / No : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agents :
M/s. Link Intime India Private Limited
Kantilal Maganlal Industrial Estate, Pannalal Silk Mills Compound,LBS Marg Bhandup (west) Mumbai 400 078.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Silverline is in business of to render software consulting services in information and technologies industries.

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service*	% to total turnover of the company
1	Software Development	72293	100%

* - As per NIC 2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of the Company	CIN/GLN	Holding Subsidiary / Associate	% of shares held	Applicable Section
1.	Innovative BPO Solutions inc.		Subsidiary	100%	Sec 2(87)(ii) of Companies Act, 2013
2.	Millennium Inc. Canada		Subsidiary	100%	Sec 2(87)(ii) of Companies Act, 2013

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

i) Category-wise Share Holding/ Shareholding of Promoters/

In View of absence of records pertaining to the Shareholding pattern of the Company, We are unable to give the records of the same. Further, the same shall be provided by the company in the next annual Report for the Year ended 31st March,2016.

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

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

In View of absence of records pertaining to the Shareholding pattern of the Company, We are unable to give the records of the same. Further , the same shall be provided by the company in the next annual Report for the Year ended 31st March,2016.

iv) Shareholding of Directors and Key Managerial Personnel: Nil

V. INDEBTEDNESS – in Lacs

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebted Ness
Indebtedness at the beginning of the financial year				
i) Principal Amount	999.16	13.69	0	1012.85
ii) Interest due but not paid	0	–	-	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	999.16	13.69	0	1012.85
Change in Indebtedness during the financial year				
Addition	0	0	0	0
Reduction	999.16	5.97	0	(1005.13)
Net Change	(-) 999.16	(-)5.97	0	(1005.13)
Indebtedness at the end of the financial year				
i) Principal Amount	0	7.72	0	7.72
ii) Interest due but not paid	-	–	–	-
iii) Interest accrued but not due	-	–	–	-
Total (i+ii+iii)	0	7.72	0	7.72

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- A. Remuneration to Wholetime Director and / or Manager: Nil
- B. Remuneration to other directors: Nil
- C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: Nil

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty Punishment/ Compounding fees imposed	Authority [RD / NCLT // COURT]
A. COMPANY				
Penalty			-----None-----	
Punishment				
Compounding				
B. DIRECTORS				
Penalty			-----None-----	
Punishment				
Compounding				
C. OTHER OFFICERS IN DEFAULT				
Penalty			-----None-----	
Punishment				
Compounding				

**Annexure - 6
Form No. MR-3**

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 30th June, 2015**

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

To,
The Members,
Silverline Technologies Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Silverline Technologies Limited (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. Silverline Technologies Limited, the 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 30th June, 2015 has 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:

I 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, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (v) Environment Protection Act, 1986 and other environmental laws
- (vi) Indian Contract Act, 1872
- (vii) Income Tax Act, 1961 and Indirect Tax Laws

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. Not applicable during the period under review since the same came into effect from 1st July, 2015.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited;

The trading of the securities of the Company has been suspended with Bombay Stock Exchange Limited throughout during the period under review.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above for the matters as stated in Annexure I:

I further report that:

The Board of Directors of the Company is yet to be duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

There was no change in the composition of the Board of Directors during the period under review and hence there was no requirement for any compliance with the provisions of the Act.

As informed by the management, adequate notice was given to all directors to schedule the Board Meetings, 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that company needs to strengthen the existing systems and processes in the company to commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no instances of:

- i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- ii. Redemption / buy-back of securities
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- iv. Merger / amalgamation / reconstruction, etc.
- v. Foreign technical collaborations.

Place: Thane

Dated: 15th November, 2015

Jeethi R. Pillai
(Practicing Company Secretary)
ACS NO.33085
CP NO.13235

Note: This report is to be read with my letter of event date which is annexed as Annexure II and forms an integral part of this report.

Annexure I to the Secretarial Audit Report of M/s. Silverline Technologies Limited for the year ended 30th June, 2015.

1. The Company has not conducted the Annual General Meeting for the year ended 30th June, 2014 within the prescribed time and had not filed any application seeking extension for the Annual General Meeting. Subsequently the Company did not comply with the provisions of Sec 92 (Filing of Annual Return), Sec 129 & 134 (Adoption of Financial Statements and Boards Report), Sec 152(6) (Retirement of Directors), Sec 121 (Filing of Report on Annual General Meeting) of the Companies Act, 2013:
2. The Company has not transferred the amount of unpaid dividend to the Investor Education and Protection Fund within the prescribed limit.
3. The Company has not filed the Resolutions and has therefore not complied with the requirements of Section 117 of the Act.
4. The Company has not appointed Internal Auditors as required under Section 138 of the Act, Women Director and Independent Director as required under Section 149 of the Act.
5. In view of the absence of the minimum number of Independent Directors on Board, the constitution of the Audit Committee and Nomination & Remuneration Committee is in accordance with the requirements of the Act.

6. The Company has not appointed Company Secretary and Chief Financial Officer/Chief Executive Officer as required under Section 203 of the Act and Clause 47 of the Listing Agreement. Further, the existing Whole Time Director needs to be re-appointed by the shareholders to continue as the Key Managerial Personnel.
7. The Company did not close its Books, submitted the shareholding pattern, payment of listing fees & Custodial fees during the year as required under Clause 16, Clause 35 and Clause 38 of the Listing Agreement respectively.
8. During the year under review, Company did not comply with any of the provisions of Clause 41 of the Listing Agreement pertaining to submission of quarterly un-audited financial results and their publication in the newspaper along with the details of the complaints received from the shareholders and the status of the Complaints.
9. The Company did not file the Corporate Governance Report to the Stock Exchange as required under Clause 49 of the Listing Agreement and the half yearly certificate under Clause 47(c) of the Listing Agreement during the year under review.
10. The Company did not file the returns as required under the Income Tax Act, 1961 and Foreign Exchange Management Act, 1999 with the Reserve Bank of India.
11. The website of the Company is yet to update the policies as required under the Companies Act, 2013 and the Listing Agreement.

**Annexure II,
To The Members,
Silverline Technologies Limited**

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Silverline Technologies Limited (the 'Company') is the responsibility of the management of the Company. My examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. My responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to me by the Company, along with explanations where so required.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to me. I believe that the processes and practices I followed, provides a reasonable basis for my opinion for the purpose of issue of the Secretarial Audit Report.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Thane
Dated: 15th November, 2015

Jeethi R. Pillai
(Practicing Company Secretary)
ACS NO.33085
CP NO.13235

Annexure - 7

PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:-

- (a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; Nil
- (b) percentage increase in remuneration of each director, CMD, CFO and Company Secretary: Nil
- (c) percentage increase in median remuneration of the employees during the financial year: Nil
- (b) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer Nil – As the your company scrip is presently under suspended category.

WHOLETIME DIRECTOR CERTIFICATION

To

The Board of Directors,

Silverline Technologies Limited Mumbai

I, Mohan Subramanian, Wholetime Director of Silverline Technologies Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards.
2. These are to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. The Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee are appraised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
4. We have indicated to the Auditors and to the Audit Committee:
 - a) Significant changes in internal control over financial reporting during the year.
 - b) Significant changes in accounting policies during the year.
 - c) Instances of significant fraud of which have become aware of and which involve management or other employees who have significant role in the Company's Internal control system over financial reporting. However, there was no such instance.

Mumbai
24th November, 2015

Mohan Subramanian
Wholetime Director

Annexure 8

DIRECTOR'S REPORT ON CORPORATE GOVERNANCE

a) **Company's Philosophy**

Silverline's business objective and that of its management and employees is to render software consulting services in such a way as to create value that can be sustained over the long term for customers, shareholders, employees, business partners and the national economy.

b) **Rights of Shareholders**

Your Company protects and facilitates shareholder's rights, provides adequate and timely information, opportunity to participate effectively in general meeting and ensure equitable treatment to all shareholders.

c) **Role of stakeholders in Corporate Governance**

Your Company recognises the right of stakeholders and encourages co-operation between the Company and stakeholders to enable participation in Corporate Governance process.

d) **Disclosures and transparency**

Your Company ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company.

e) **Board of Directors**

During the period under review the Board of Directors comprised a Whole time Director and 4 Non Executive Directors. During the period from 1/7/2014 to 30/6/2015, 9 Board Meetings were held on, 12/09/2014, 23/10/2014, 14/01/2015, 20/02/2015, 25/02/2015, 29/03/2015, 26/05/2015, 12/06/2015, 22/06/2015, The Composition of the Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also no. of other Directorships, etc. are as follows:

Name of Director	Category of Directorship No. of Committees	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships
Mr. Ravi Subramanian	Promoter - Chairman Chairman- Nil Member-2	7	yes	1
Mr. Krishnakumar Subramanian	Promoter - Director Chairman - Nil Member -4	9	Yes	3
Mr. Mohan Subramanian	Promoter - Whole-time Director Chairman- 1 Member -4	8	Yes	3
Dr. Narayan Raman	Independent Non Executive Director Chairman -5 Member -1	9	Yes	4

During the year under review, none of the Directors of the Company was a member of more than 10 specified Committees or Chairman of more than 5 such Committees in companies in which he/she is a Director. Your Company's Directors promptly notify any change(s) in the committee positions as and when they take place.

Board fulfills the key functions as prescribed under Clause 49 of the Listing Agreement. Details of the Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the Meeting of the shareholders.

Independent Directors

Your Company appointed independent Directors who are renowned people having expertise/experience in their respective field/profession. None of the Independent Directors is a promoter or related to the promoters. They do not have any pecuniary relationship with the Company and further they do not hold two percent or more of the total voting power of the Company. All Independent Directors maintain their limits of directorship as required under Clause 49 of the Listing Agreement. The Company has issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been disclosed in the website of the Company.

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of all Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated.

Code of Conduct

The Code of Conduct laid down by the Company is applicable to the Board of Directors (incorporating duties of Independent Directors) and the Senior Management. This Code of Conduct emphasizes the Company's commitment to comply with the highest standards of legal and ethical behaviour. Pursuant to Clause 49 of the Listing Agreement, the Chairman and Director of the Company confirmed compliance with the Code by all members of the Board and the Senior Management.

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015.

Whistle Blower Policy

Your Company has established a Vigil Mechanism/Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

f) Audit committee**i) terms of reference**

The role and terms of reference of the Audit Committee covers the areas mentioned in clause 49 of the Listing Agreement with Stock Exchanges and section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors. The minutes of the Audit Committee Meetings are taken note of by the Board.

ii) Composition of Committee

The Audit Committee comprised of 3 Directors. The committee held five meetings during the period from 01/07/14 to 30/06/15. The attendance of the members at the meetings were as follows:

Name of the member	Status
Dr. Narayan Raman	Chairman
Mr. Ravi Subramanian	Member
Mr. Mohan Subramanian	Member

Terms of Reference and Role of Audit committee

The Scope and Role of Audit committee is in accordance with the Companies Act,2013 and the Listing Agreement entered into with the Stock Exchange which includes but not limited to the following:

- i) Review of the Annual and Quarterly Financial Statements.
- ii) Oversee the Company's financial reporting process and the disclosure of its financial information and ensure that the financial statement is correct, sufficient and credible
- iii) Recommending to the Board , the appointment , re-appointment and, if required , the replacement or removal of the statutory Auditors
- iv) Review of the Accounting policies and Accounting standards applied in preparation of financial statement.
- v) Review of Notes to the Financial statements
- vi) Review of internal Auditors Report on Quarterly basis and Limited Review Report of Auditors on Quarterly financial Statement [Standalone and Consolidated] and Statutory Report on Annual Accounts
- vii) Review and suggest explanations to the qualifications made in the Audit Report.
- viii) Review of Disclosure of related party transactions.
- ix) Recommend appointment of Chief financial officer
- x) Recommend change if any in Accounting policies, Practices and Reasons or the same.
- xi) Recommend for sale of Fixed Assets of the company if necessary, for reinforcement of fund requirements of the company.
- xii) Review of status of outstanding statutory dues and employees related issue
- xiii) Review financial affairs of the Company.

POWER OF AUDIT COMMITTEE

The Audit Committee powers includes the followings-

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

REVIEW OF INFORMATION OF AUDIT COMMITTEE

1. Analysis of financial condition and Results of operations;
2. Statement of related party transactions;
3. Management letters, if any, issued by the statutory auditors;
4. Quarterly Audit report

Nomination and Remuneration Committee

In terms of Section 178 of the Companie's Act, 2013 and the listing agreement with the stock exchange thecommittee identifies and recommends the appointment of person as directors/Independent Directors based on criteria laid down in the Nomination and Remuneration policy.

To review, assess and recommend the remuneration package of the executive directors and executive managers. The minutes of the Remuneration Committee Meetings are taken note of by the Board.

Composition

The Remuneration Committee comprised of 3 Directors.

Name of the member	Status
Mr. Mohan Subramanian	Chairman
Dr. Narayan Raman	Member
Mr. Krishnakumar Subramanian	Member

iii) Remuneration policy

Remuneration of employees largely consists of base remuneration, perquisites and performance incentive. The components of total remuneration vary for different grades and are governed by industry patterns, qualification and experience of the employee, responsibilities handled, individual performance, etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent and reward merit.

iv) Details of Remuneration for period 01/07/2014 to 30/06/2015

Mr. Mohan Subramanian Whole-time Director

Name of the Wholetime Director	Salary Rs.	Commission Rs.	Perquisite Rs.	Retirement Benefits Rs.	Stock Options Rs.
Mr. Mohan Subramanian	0	Nil	-	Nil	Nil

d) STAKEHOLDERS' RELATIONSHIP COMMITTEE

In line with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement the nomenclature of this Committee has been changed to Stakeholders' Relationship Committee. The Committee considers and resolves the grievances of the stake holders. The Committee also reviews the manner and time-lines of dealing with complaint letters received from all stake holders including the Stock Exchange/ SEBI/ Ministry of Corporate Affairs etc.,

SHARE TRANSFER COMMITTEE

The Share transfer committee has been constituted mainly to look into transfer and transmission of shares. Share transfers are effected by the Registrar and Transfer Agent (RTA)Linkintime Service Limited, Mumbai, on the authorization given by the Board. The transfers/transmissions effected by the Registrar are submitted to the Share Transfer Committee for confirmation.

Dr. Narayan Raman Independent Director chair the meetings of the committee. Shri Mohan Subramanian, Wholetime Director and Shri Ravi Subramanian, Chairman are the members of the committee.

ii) Composition

The Shareholders'/Investors' Grievance Committee comprised the following Directors:

Name of the member	Status
Dr. Narayan Raman	Chairman
Mr. Mohan Subramanian	Member
Mr. Ravi Subramanian	Member

The Committee met once during the period 01/07/2014 to 30/06/2015 where all the members were present.

The Board has delegated the powers of approving transfer of shares to the Registrar and Share Transfer Agents M/s. Link Intime India Pvt Ltd, Mumbai.

iii) Shareholders Complaints

Particulars	Letters in the nature of complaints
1. No. of shareholders complaints received during the period 1.7.2014 to 30.6.2015	165
2. No. of shareholders complaints mentioned above not solved to the satisfaction of the shareholders	89
Pending Share Transfers as on June 30, 2015	NIL
Pending Demat Requests as on June 30, 2015	NIL

* The pending shareholders complaints relate to shareholders/ investors suits / disputes / legal cases pending in civil courts, consumer forums, etc. Such suits / disputes / legal cases are initiated by investors / acquires against transferees who have allegedly sought wrongful transfers i.e. on account of postal interceptions/thefts/ forgeries etc., of instruments of transfers lodged with the Company. The majority of such cases are at various stages of resolution and would be finally disposed off in accordance with the rulings of the adjudicating authorities.

e) General Body meeting

Particulars of the last three years Annual General Meetings:

Financial Year	Date	time	Location
2011-12	23/09/2015	2.00 p.m.	Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur-400071
2012-13	23/09/2015	2.45 p.m	Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur-400071
2013-14	23/09/2015	3.45 p.m	Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur-400071

The Company has not passed any resolution through Postal Ballot in any of the above-mentioned meetings.

f) Disclosures

Related party transactions:

Please refer to the note no. 21 of Notes to Accounts provided with financial statements.

i) Means of communication

- i) Quarterly results will published in prominent daily newspapers viz. The Free Press Journal, NavShakti.
- ii) Management's Discussion and Analysis forms part of this Annual Report, which is posted to the shareholders of the Company.

g) General Shareholders information

i) The Annual General Meeting is proposed to be held on 30th December, 2015 at 09.00 A.M at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071.

ii) Financial Calendar

Annual General Meeting	30th December, 2015
Payment of Dividend	Nil

iii) Dates of Book closures

23rd December, 2015 to 30th December, 2015 (Both days inclusive)

iv) Dividend payment date: Not applicable

v) Listing of equity shares on stock exchanges at: Mumbai (BSE)

Stock Code on Mumbai Stock Exchange: Rolling Settlement - 500389 (under suspension)

vi) Registrar and share transfer agent: Link Intime India Private Ltd., C-13, Kantilal Maganlal Industrial Estate, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.

vii) Share transfer system

The Company's shares are traded on the Stock Exchanges compulsorily in demat mode. In case of transfers not on the floor of the Stock exchange physical shares which are lodged for transfer with the Transfer Agents are processed and returned to the shareholders within a period of 30 days.

viii) Distribution of shareholding as on June 30, 2015

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
01-5000	202503	94.1000	12462035	20.7750
5001-10000	6081	2.8260	4825738	8.0450
10001-20000	3172	1.4740	4713674	7.8580
20001-30000	1125	0.5230	2858670	4.7660
30001-40000	504	0.2340	178664	2.9780
40001-50000	435	0.2020	2045719	3.4100
50001-100000	738	0.3430	5417797	9.0320
100001 and above	641	0.2980	25875215	43.1360
Total	215199	100.0000	59985488	100.0000

ix) Categories of shareholders as on June 30, 2015

Category	No. of shares	Percentage
PROMOTORS	5,825	0.01%
BANK & MUTUAL FUND	1,18,772	0.2%
DOMESTIC COMPANY	10,99,409	1.84%
INDIAN PUBLIC & OTHERS	517,71,417	86.30%
NON RESIDENT	69,90,065	11.65%
Total	5,99,85,488	100.00%

x) Dematerialisation of shares

As on June 30, 2015, 99.62% of the Companies total shares representing 5,97,58,852 shares were held in dematerialised form and the balance 0.38% representing 226,636 shares were in physical form.

xi) **Address of Company**

Location of Software Development Centers: Unit No 121, SDF IV. Seepz, Andheri East, Mumbai 400 096

Address of correspondence:

The Company's Registered Office is situated at: Unit 121, SDF IV, SEEPZ Andheri, Mumbai 400 096

Shareholders Correspondence should be addressed to

Link Intime India Private Ltd, C-13, KantilalMaganlal Industrial Estate, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.

Shareholders holding share in electronic mode should address all their correspondence to their respective Depository Participants (DPs)

Code of Business Conduct

Members of the Board and the Senior Management, shall

- a) Always act in good faith and in the best interests of the Company, its employees, the shareholders, the community and for the protection of the environment.
- b) Adopt the highest standards of personal ethics, integrity, confidentiality and discipline in dealing
- c) Always adhere and conform to the various statutory and mandatory regulations/guidelines applicable to the operations of the Company avoiding violations of non-conformities.
- d) Not derive personal benefit or undue advantages(financial or otherwise)by virtue of their position or relationship with the company.
- e) Always abide by the above Code of Conduct, and shall be accountable to the Board for their actions/violations/defaults.

In addition to the above, an Independent Director on the Board of the Company shall:

1. Exercise his responsibilities in a bona fide manner in the interest of the Company;
2. Refrain from any action that would lead to loss of his independence;
3. Assist the Company in implementing the best corporate governance practices.

Declaration

As required under Clause 49(1)(D) of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Board members and senior management personnel of the Company have complied with the Code of Conduct of the Company for the year ended June 30th, 2015.

Place: Mumbai

Date: 24th November, 2015

Mr. Mohan Subramanian

Wholetime Director

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members

Silverline Technologies Limited

1. We have examined the compliance with the conditions of Corporate Governance by Silverline Technologies Limited (the Company) for the year ended June 30, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India, with the relevant records and documents maintained by the Company and furnished to us and the Report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the said compliance. It is neither an audit nor is this certificate an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has not complied with the said conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai

Date: 24th November, 2015

Mr. Mohan Subramanian

Wholetime Director

WHOLETIME DIRECTOR CERTIFICATION

We the undersigned in our respective capacities as Wholetime Director of Silverline Technologies Limited (“the Company”) to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 30th June, 2015 and that to the best of our knowledge and belief, we state that:
 - i. These statement do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - ii. These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company’s Code of Conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:-
 - i. significant changes, if any, in internal control over financial reporting during the year.
 - ii. Significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company’s internal control system over the financial reporting.

Place: Mumbai

Date: 24th November, 2015

Mr. Mohan Subramanian

Wholetime Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SILVERLINE TECHNOLOGIES LIMITED.

Reports on the Financial Statements

We have audited the accompanying financial statements of M/s. SILVERLINE TECHNOLOGIES LIMITED ("the Company") which comprise the Balance Sheet as at 30th June, 2015, the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Managements Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at June 30, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on June 30, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
 - (iii) The company has defaulted in transferring the amount of Rs. 5085306 of unpaid dividends to the Investor Education and Protection Fund.

For P.C. Surana & Co.
Chartered Accountants
(Registration No.110631W)

Place : Mumbai
Dated : 24th November, 2015

P.C. Surana
Partner
M. No: 017136

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in the Auditor's Report of even date to the members of SILVERLINE TECHNOLOGIES LIMITED, MUMBAI on the financial statements for the year ended 30th June, 2015

- (i) In respect of its fixed assets:
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, the management during the year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- (ii) In respect of its inventories:
- a) As explained to us, the Company did not have any physical stock during the year under report.
 - b) In our opinion and according to the information and explanations given to us, our comments on matters specified in clause 3(ii) of the Order are not required.
- (iii) In respect of loans, secured or unsecured granted by the Company to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013:
- a) The Company has given loans or advances to one such party. In respect of such loans or advances the maximum amount outstanding at any time during the year was Rs 365.52 Lacs and year-end balance is Rs 334.90 Lacs .
 - b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions of the loans or advances given by the Company, are prima facie not prejudicial to the interest of the Company.
 - c) The loans or advances given by the Company to such parties are repayable on demand.
 - d) In respect of the said loans or advances and interest thereon, there are no overdue amounts.

- iv) In our opinion, and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to purchase of fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
- v) The Company has not accepted any Fixed Deposits from the public other than from director and their relatives.
- vi) The Central Government has not trescribed maintenace of cost recoreds pursutnt to section 148(1) of the companies Act, 2013. Therefore the provision of clause (vi) of paragrach 3 of the Order are not applicable to the Company.
- vii) a) According to the information and explanations given to us, company has defaulted in depositing the undisputed statutory dues in respect of Professional Tax , Income tax deducted at Source by it and funds payable to Investor Education and Protection Fund .
- b) As regards the disputed statutory liabilities –
Based on the representation by the Management , we report that there are disputed income tax liabilities of Rs. 15206 lakhs in respect of the Assessment Years 2002-03; 2003-04: 2004-05 2011-12 and 2012-13 as on date of our reporting. Details of authorities before whom the tax proceedings are pending have not been provided to us and we are also not able to comment on the outcome of income tax proceedings and consequential total income tax liabilities The company has not filed the income tax return from assessment year 2013-14 onwards.
- viii) The company does not have any accumulated losses at the end of the year. However company incurred the cash losses of Rs. 20.49 lacs during the Financial Year covered by the Audit and it also incurred cash losses of Rs. 24.11 lacs in the immediately preceding Financial Year.
- ix) According to the information and explanation giver to us by the management and based on our examination of the record, we are of the opinion the Company has not defaulted in repayment of dues if any to the financial institutions, Banks & debentureholders.
- x) According to the information and explanation given to us, the Company has not given guarantee in respect loans taken by other companies from Banks and financial institutions .
- xi) During the year, the Company has not raised any money by way of public issue and the question of disclosing the end use of money by the management does not arise.
- xii) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

For P.C. Surana & Co.
Chartered Accountants
(Registration No.110631W)

P.C. Surana
Partner
M. No: 017136

Place : Mumbai
Dated : 24th November, 2015

BALANCE SHEET AS AT 30TH JUNE, 2015
CIN:L99999MH1992PLC066360

PARTICULARS	Notes	As at 30th June, 2015 Amount (Rs.)	As at 30th June, 2014 Amount (Rs.)
I. EQUITY AND LIABILITIES			
1. Share Holders Funds			
(a) Share Capital	2	599,854,880	599,854,880
(b) Reserves and Surplus	3	849,978,478	852,027,549
(c) Money received against Share warrants		-	-
2. Share Application money pending allotment			
		-	-
3. Non Current Liabilities			
(a) Long Term Borrowings	4	772,559	101,285,241
(b) Defered Tax Liabilities (Net)		188,851	188,851
(c) Long Term Provision - Income Tax			
4. Current Liabilities			
(a) Short Term Borrowings		-	-
(b) Trade Payables		121,813,977	19,901,583
(c) Other Current Liabilities	5	6,128,765	6,113,765
(d) Short term Provisions	6	20,308,474	20,308,474
		<u>148,251,216</u>	<u>46,323,822</u>
Total Equity and Liabilities		<u>1,599,045,984</u>	<u>1,599,680,343</u>
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets	7		
(i) Tangible ssets		1,929,603	1,929,603
(ii) Intangible ssets		-	-
(iii) Capital Work in Progress		-	-
(b) Non Current Investment	8	1,520,000,000	1,520,000,000
(c) Long Term Loans and Advances - Deposit		-	-
2. Current Assets			
(a) Work in process		-	-
(b) Trade Receivables	9	31,317,060	31,003,502
(c) Cash and cash equivalents	10	6,303,184	6,603,853
(d) Short Term Loans and Advances	11	39,496,137	40,143,385
		<u>77,116,381</u>	<u>77,750,740</u>
Total Assets		<u>1,599,045,984</u>	<u>1,599,680,343</u>

Significant Accounting Policies

1

The accompanying notes are intergral part of the financial statements

For P C Surana & Co.**For SILVERLINE TECHNOLOGIES LIMITED****CIN:L99999MH1992PLC066360**

Chartered Accountants

[Reg No. 110631W]

P C Surana*Partner*

M No:- 017136

Mumbai, 24th November,2015

Ravi Subramanian [DIN 02151804]*Chairman***Mohan Subramanian [DIN 01555249]***Wholetime Director*

Mumbai, 24th November,2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30TH JUNE, 2015
CIN:L99999MH1992PLC066360

Particulars	Notes	30th June, 2015 Amount	30th June, 2014 Amount
Revenue from Operations	12	4,901,256	5,203,650
Other Income	-	-	-
Total Revenue (I+II)		4,901,256	5,203,650
Expenses:			
Software development charges		3,987,398	-
Total Employees Expenses	13	-	3,230,742
Financial Cost		-	-
Depreciation and Amortisation expenses	14	-	2,296,029
Other Expenses	15	2,962,929	4,384,376
Total Expenses (IV)		6,950,327	9,911,147
Profit Before Exceptional and Extraordinary items and Tax		(2,049,071)	(4,707,497)
Exceptional Items (See note 1)		-	-
Profit Before Extraordinary items and Tax		(2,049,071)	(4,707,497)
Extraordinary items		-	-
Profit Before Tax		(2,049,071)	(4,707,497)
Tax Expenses			
(a) Current Tax - Income Tax		-	-
(b) Deferred Tax		-	364,682
(c) Provsion of Tax (Earlier Years)		-	-
Profit/(Loss) from the period from continuing operations		(2,049,071)	(4,342,815)
Loss from discontinuing operations		-	-
Tax expenses of discontinuing Operations		-	-
Loss from discontinuing operations		-	-
Profit/(Loss) for the period		(2,049,071)	(4,342,815)

The accompanying notes are intergral part of the financial statements

For P C Surana & Co.

Chartered Accountants

[Reg No. 110631W]

P C Surana

Partner

M No:- 017136

Mumbai, 24th November,2015

For SILVERLINE TECHNOLOGIES LIMITED

CIN:L99999MH1992PLC066360

Ravi Subramanian [DIN 02151804]

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 24th November,2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2015

	30/06/2015	30/06/2014
	RUPEES	RUPEES
Cash flows from operating activities		
Net Profit before Tax and before extraordinary item	(2,049,071)	(4,342,815)
Adjustments for :		
Depreciation	-	2,296,029
Preliminary Expenses & Filing fees written off	-	-
Provision for Doubtful Debts	-	-
Provision for Income Tax	-	-
Dividend Income	-	-
Un-realised Forex Gain	-	-
Increase in Deferred Revenue Expenditure	-	(364,682)
Sub Total	(2,049,071)	(2,411,468)
Operating Profit before Working Capital changes		
Working capital changes		
Increase in Sundry Debtors	(313,558)	(5,203,650)
Increase in advances recoverable in cash or kind or for value to be received	647,248	2,764,677
Increase / Decrease in Sundry Creditors	101,927,394	4,865,614
Increase / Decrease in Work in Process	-	-
Increase / Decrease in other current liabilities	-	-
Increase in provisions	-	-
Increase in Deferred Tax	-	-
Net Cash from operating activities	102,261,084	15,173
Cash flows from investing activities		
Purchase of Fixed Assets	-	-
Investment Account	-	-
Dividend Income	-	-
Net cash (used in)/surplus from investing activities	-	15,173
Cash flows from financing activities		
Proceeds from issuance of share capital and share premium	-	-
Borrowings (Net)	(100,512,682)	(40,000)
Extraordinary Items-Premium on prepayment of foreign currency term loans		
Net cash (used in)/ surplus from financing activities	-	-
Net increase in Cash & Cash equivalents	(300,669)	(24,827)
Effect of Unrealised foreign exchange fluctuation gain / (loss)	-	-
Cash & Cash equivalents at the beginning of the year	6,603,853	6,628,680
Cash & Cash equivalents at the end of the year	6,303,184	6,603,853
Increased in Cash Balance	300,669	(24,827)

For P C Surana & Co.

For SILVERLINE TECHNOLOGIES LIMITED

CIN:L99999MH1992PLC066360

Chartered Accountants

[Reg No. 110631W]

P C Surana

Partner

M No:- 017136

Mumbai, 24th November,2015

Ravi Subramanian [DIN 02151804]

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 24th November,2015

Notes forming parts of Annual Accounts for the year ended June 30th 2015**NOTES - 1****CORPORATE INFORMATION**

SILVERLINE TECHNOLOGIES LIMITED ("SILVERLINE" OR the "Company") is engaged in consulting and Information Technology ("IT") services. It focuses providing business consulting, systems integration application development and product engineering services. The company has development centre at "SEEPZ" Mumbai.

The SEEPZ development center is to deliver its software development services. This facility operate mainly as an export unit. SEEPZ is SEZ and such the regulations as per the Government of India apply, and are required to export substantial part of their software development services. The Company has been historically exporting a significant part of its software development services.

SIGNIFICANT ACCOUNTING POLICIES & BASIS OF ACCOUNTING

The financial statements are prepared on the basis of Historical cost convention in accordance with the Indian generally accepted Principles (GAAP), applicable Accounting Standard issued by the institute of Chartered Accountants of India (ICAI) and the provisions of the Company act 2013.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP require Management to make estimates and assumptions that effects the reported amount of assets and liabilities disclosure of contingent assets & Liabilities at the date of financial Statements and the reported amounts of revenue & Expenses during the reporting periods. Examples of such estimates include estimates of useful life of assets and future obligations under employee retirement benefit plans. Actual results could be differ from those estimates and difference between the actual results and estimates are recognized in period in which the result known/materialized.

REVENUE RECOGNITION

Revenue from software development of fixed price contract is recognized according to the milestones achieved as specified in contracts on the basis of works completion method. With respect to time and materials contracts revenue is recognized proportionately over the period in which services are rendered. Interest is recognized using the time proportion method, based on rates Implicit in the transaction. Dividend income is recognized when the Company's right to receive dividend is established.

FIXED ASSETS, CAPITAL WORKS IN PROGRESS AND DEPRECIATION

Fixed assets are stated at the cost of acquisition including taxes, duties, freight, exchange gains/losses and other incidental expenses including interest related to acquisition and installation. Capital work in progress includes the cost of fixed assets and amount advanced towards capital projects under development.

IMPAIRMENT OF ASSETS

Management evaluates at regular intervals, Using External & Internal source whether there is any impairment of any assets. Impairment Occurs where the Carrying Value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. Any loss on account of Impairment is expensed as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined.

BORROWING COST

Borrowing cost include interest, amortization of ancillary cost incurred. The cost of borrowing are capitalized as a part of the cost of the qualifying assets when it is possible that they will result in future economic benefits and the cost can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are uncured.

INVESTMENTS

Investments in overseas subsidy companies or others, are stated at cost(inclusive of expenses on acquisition) and classified as long term strategic investment. Provision for diminution in the value is made, if other than temporary.

SHARE ISSUE EXPENSES

Expenses incurred on issue of Shares are adjusted to Security Premium Account.

SOFTWARE DEVELOPMENT EXPENSES

Cost of software that is embedded in the hardware is capitalized purchase of softwares for development is charged to Profit & Loss Account.

Notes forming parts of Annual Accounts for the year ended June 30th 2015

EMPLOYEE BENEFITS

The Company has no outstanding liability towards the employee benefits like gratuity etc. as on date. The company is deducting provident fund from the salary as prescribed under the Act and which is recognized in the balance sheet. The employee benefits of short term nature are recognized as expenses as and when accrued.

TAXATION

Income Tax is computed in accordance with Accounting Standard 22, "Accounting for Taxation on Income" issued by the ICAI. Provision for current income tax and fringe benefit tax is made in accordance with the provisions of Income tax Act, 1961. The difference between taxable income and net profit or loss before tax for the year as per the financial statements, is identified and the tax effect of the deferred tax asset or deferred tax liability is recorded for timing differences, i.e., differences that originate in one accounting period and reversed in another.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

DEFERRED REVENUE EXPENDITURE

Deferred Revenue Expenditure is written equally over a period of five years by debiting the profit and loss account.

EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax (and include post tax effect of any extraordinary items.) The number of shares used in computing basic earnings per share is the weighed average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average shares considered for deriving basic earning per share, and also the weighted average number of equity shares which could have been issued on conversion of all dilative potential equity shares.

SEGMENT REPORTING

The company provides comprehensive range of information technology services comprising software development, system solutions, application software system maintenance software to its customers across the industry. Accordingly, the company has identified IT service as single business segment, which constitutes the primary basis of segmental reporting, set out in financial statements. Secondary segments are reported on the basis of geographical location of the customers.

RELATED PARTY TRANSACTIONS

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial or operating decisions. Parties are considered to be related if they are subject to common control or common significant influence.

PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not provided for in the books but are disclosed by way of notes in the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED JUNE 30TH 2015

Particulars	As at 30th June, 2015 (Rs.)	As at 30th June, 2014 (Rs.)		
NOTE - 2 SHARE CAPITAL				
Authorised:				
3,00,00,00,00(Previous Year 3,00,00,00,00) Equity Shares of Rs. 10 each	<u>3,000,000,000</u>	<u>3,000,000,000</u>		
Issued, Subscribed & Paid up:				
5,99,854,88 (Previous Year 5,99,854,88) Equity Shares of Rs. 10 each	<u>599,854,880</u>	<u>599,854,880</u>		
Total	<u>599,854,880</u>	<u>599,854,880</u>		
Reconciliation of Equity Shares outstanding at the beginning and at the end of the year				
Equity Shares outstanding at the beginning of the year	599,854,880	599,854,880		
Add : Issued by allotment of Share Application Money	0	0		
At the end of the year	<u>599,854,880</u>	<u>599,854,880</u>		
Terms attached to equity shares				
The Company has only one class of equity shares having par value of Rs 10/- share. Each holder of equity share is entitled to one vote per share.				
Details of shareholding more than 5% shares in the Company				
	Nos.	% holding	Nos.	% holding
	Nil	Nil	Nil	Nil
NOTE 3 - RESERVES AND SURPLUS				
Capital Reserve				
Balance as at the beginning of the year	825,648,245		825,648,245	
Add / (Less) - Adjustment	0		0	
Profit and Loss Account				
Balance as at the beginning of the year	26,379,304		30,722,118	
ADD: Net (Loss)/Profit from Profit & Loss Account	<u>(2,049,071)</u>		<u>(4,342,815)</u>	
Net surplus in the Account	<u>24,330,233</u>		<u>26,379,304</u>	
Total	<u>849,978,478</u>		<u>852,027,549</u>	
NOTE 4 - LONG TERM BORROWINGS				
Payable for more than one Year				
Inter Corporate deposits	-		99,915,761	
Other unsecured from directors and relatives	<u>772,559</u>		<u>1,369,480</u>	
Total	<u>772,559</u>		<u>101,285,241</u>	

The loans are repayable on demand (See Note 17)

NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED JUNE 30TH 2015

Particulars	As at 30th June, 2015 (Rs.)	As at 30th June, 2014 (Rs.)
NOTE 5 - OTHER CURRENT LIABILITIES		
Employee Contribution towards Provident Fund	479,337	479,337
Unpaid dividend	5,085,306	5,085,306
Other Statutory Dues	564,122	549,122
Total	6,128,765	6,113,765

NOTE 6 - SHORT TERM PROVISIONS		
Taxation account	20,308,474	20,308,474
Total	20,308,474	20,308,474

NOTE 7 - FIXED ASSETS

Sr. No.	Particulars	Gross assets				Fixed assets Depreciation				As at	As At
		01-07-14	Addition	Deletion	30-06-15	01-07-14	Addition	Deletion	30-06-15	30-06-15	30-06-14
1	Computer Account	9,403,042	-	-	9,403,042	8,119,034	-	-	8,119,034	1,284,008	1,284,008
2	Electrical fitting	1,884,723	-	-	1,884,723	1,884,723	-	-	1,884,723	-	-
3	Furniture and Fixture	10,033,809	-	-	10,033,809	9,636,360	-	-	9,636,360	397,449	397,449
4	Office Equipment	5,956,685	-	-	5,956,685	5,708,539	-	-	5,708,539	248,146	248,146
Total		27,278,259	-	-	27,278,259	25,348,656	-	-	25,348,656	1,929,603	1,929,603
Previous Year		27,278,259.00	-	-	27,278,259	23,052,627	2,296,029	-	25,348,656	1,929,603	4,225,632

NOTE 8 - NON CURRENT INVESTMENTS		
Investment in the 100% wholly subsidiary		
Innovative BPO Solutions Ltd Canada		
	1,020,000,000	1,020,000,000
16,00,000 shares in common stock S\$ 0.04 each millennium Inc. Canada	500,000,000	500,000,000
Total	1,520,000,000	1,520,000,000

NOTE 9 TRADE RECEIVABLES		
Unsecured, Considered Good by the management		
Outstanding for a period exceeding six months	31,006,502	28,383,242
Other Debts	310,558	2,620,260
Total	31,317,060	31,003,502

NOTE 10 - CASH AND CASH EQUIVALENT		
Cash on hand	1,085,216	1,385,296
Bank Balances		
In Current Account	132,748	133,337
Bank Balances in Current Account	5,085,220	5,085,220
Total	6,303,184	6,603,853

NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED JUNE 30TH 2015

Particulars	As at 30th June, 2015 (Rs.)	As at 30th June, 2014 (Rs.)
NOTE 11 - SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Loans and advances		
Advances recoverable in cash of kind or for value to be considered good		
Intercompany deposits	33,190,116	33,789,564
Income tax and TDs Account	6,306,021	6,306,021
Advance to employees	-	47,800
Total	39,496,137	40,143,385
NOTE 12- Revenue from Operations		
Domestic	-	-
Export	4,901,256	5,203,650
Total	4,901,256	5,203,650
NOTE 13 - EMPLOYEES BENEFITS EXPENSES		
Salaries and Wages	-	3,095,988
Contribution to PF, ESIC & Admn Charges	-	62,040
Staff Welfare Expenses	-	72,714
Total	-	3,230,742
NOTE 14 - DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation as per schedule	-	2,296,029
Total	-	2,296,029
NOTE 15 - OTHER EXPENSES		
Rental Expenses	-	1,113,091
Bank Charges	2,540	1,600
Bad Debts	-	-
Repairs and maintenance, Computer Peripherals	-	7,250
R&T Depository and Compliance charges	2,500,000	2,478,856
Director Remuneration	-	-
Electricity Charges	-	17,139
Motor car Expenses	-	-
Legal and Professional Expenses	50,000	4,800
Printing and Stationery	3,000	21,250
Sales Promotion Expenses	-	-

NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED JUNE 30TH 2015

Particulars	As at 30th June, 2015 (Rs.)	As at 30th June, 2014 (Rs.)
Service Tax	-	426,931
Communication Expenses	11,309	81,689
Travelling and Conveyance	125,230	1,360
Audit Fees	171,000	162,500
Miscellaneous expenses	99,850	67,910
Total	2,962,929	4,384,376.00

Particulars	As at 30th June, 2015 (Rs.)	As at 30th June, 2014 (Rs.)
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NOTE 15.1 - AUDITORS REMUNERATION

Statuary Audit fees	114,000	100,000
Taxation Matters		12,500
Other Services	57,000	50,000
	171,000	162,500

NOTE 16 - Earnings per Equity share**(A) Basic**

(i) Number of Equity Shares at the Beginning of the year	59,985,488	59,985,488
(ii) Number of Equity Shares at the End of the year	59,985,488	59,985,488
(iii) Weighted Average Number of Equity Shares	59,985,488	

Outstanding during the year	59,985,488	59,985,488
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(iv) Face value of each Equity Share (Rs.)	10.00	10.00
(v) Profit / (Loss) after tax available for Equity Shareholders	(2,049,071)	(4,342,815)
(vi) Basic Earning per Equity Share (Rs.)[(v)/(iii)]	(0.03)	(0.07)

(B) Diluted

(i) Diluted Potential Equity Shares	0	0
(ii) Diluted Earnings per Equity Share (Rs.)[same as A (vi) above]	(0.03)	(0.07)

NOTE - 17

Balances of the Unsecured Loans, Sundry Creditors, Sundry Debtors and Loans and Advances are subject to confirmation and reconciliation, if any.

NOTE 18 - EXPENDITURE IN FOREIGN CURRENCY

Software Development Charges	3,987,398	3,763,345
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NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED JUNE 30TH 2015**NOTE 19- EARNINGS IN FOREIGN CURRENCY**

Exports of Softwares	4,901,256	5,203,650
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NOTE 20 - RELATED PARTIES DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

Key Managerial Persons

Mr. Ravi Subramanain	Chairman
Mr. Mohan Subramanain	Wholetime Director
Mr. Dr, Narayan Raman	Director
Mr. Krishnakumar Subramanian	Director

Subsidiary Company

Innovative BPO SolutionsLtd Canada
Millennium care Inc. Canada

Associates

Nextgen Animation Mediaa Ltd.

Transactions during the year with related parties : (Rs. In Lacs)**Nature of Transaction**

With Subsidiary Companies Nil

With Others

	Key Managerial Persons	Associates	Total
Directors Remuneration	0.00	0.00	0.00
	0.00	0.00	3.00
Loans/Advances repaid	0.00	5.96	0.40
	0.91	0.00	0.91
Loans/Advances received (Net)	0.00	0.00	0.00
	10.06	0.00	10.06
Given Advances received back	0.00	30.62	30.62
	0.00	205.29	205.29

Note: Figures in italics are of previous year.

Balances as on 30.06.2014

Loans/Advances received (Net)	13.69	0.00	13.69
Loans / Advances given	0.00	334.90	334.90

Disclosure in Respect of Material Related Party Transaction during the year

Director Remuneration Rs. Nil (Previous Year Rs. Nil)

Loans/Advances received includes:-

From Mr. Mohan Subramanain Rs. Nil (Previous year Rs.10.06 lakhs)

Loans/Advances repaid

Mr. Krishnakumar Subramanian Rs. 0.40 lakhs (Previous year Rs.0.91 Lakhs.)

NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED JUNE 30TH 2015

Given Advances received back includes:-

Nextgen Animation Mediaa Ltd. Rs. 5.69 (Previous year Rs.30.62.)

NOTE 21 - SEGMENT REPORTING

Providing of information technology services is the Company's only signal business segment, hence the disclosure of segment wise information as required by Accounting Standard (AS) 17 on "Segment Reporting" is not applicable .

NOTE 22- CONTINGENT LIABILITIES AND COMMITMENTS

Claims against the Company /disputed liabilities not acknowledged as debts:

(As per the representation made by the Management)

Disputed Income tax liabilities of Rs. 15206 lakhs in respect of Assessment years 2001-02; 2002-03; 2003-04, 2011-12 and 2012-13

The Company has disputed against the same with appropriate authorities and it has not provided for the same in view of it was legally advised.

NOTE - 23

Figures of the previous year have been regrouped/recast or reclassified wherever considered necessary.

The accompanying notes are intergral part of the financial statements

As per our report of even date attached

For P C Surana & Co.

For SILVERLINE TECHNOLOGIES LIMITED

CIN:L99999MH1992PLC066360

Chartered Accountants

[Reg No. 110631W]

P C Surana

Partner

M. No.: 017136

Mumbai, 24th November,2015

Ravi Subramanian [DIN 02151804]

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 24th November,2015

AUDITORS REPORT TO THE BOARD OF DIRECTORS OF SILVERLINE TECHNOLOGIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY

1. We have examined the attached Consolidated financial statement of Silverline Technologies Limited and its only subsidiary as at 30th June 2015 comprising of the Balance sheet as at 30th June,2015 and the consolidated statement of profit and loss and consolidated cash flow for the year ended on that date.

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 the internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at June 30, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the consolidated Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

AUDITORS REPORT TO THE BOARD OF DIRECTORS OF SILVERLINE TECHNOLOGIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY

- 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 written representations received from the directors as on June 30, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
 - (iii) The company has defaulted in transferring the amount of Rs. 5085306 of unpaid dividends to the Investor Education and Protection Fund.

For P C Surana & Co.
Chartered Accountants
Registration No. 110631W

P C Surana
Partner
M. No. 017136

Mumbai, 24th November, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Referred to in the Auditor's Report of even date to the members of SILVERLINE TECHNOLOGIES LIMITED, MUMBAI on the financial statements for the year ended 30th June, 2015

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - As explained to us, the management during the year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- ii) In respect of its inventories:
- As explained to us, the Company did not have any physical stock during the year under report.
 - In our opinion and according to the information and explanations given to us, our comments on matters specified in clause 3(ii) of the Order are not required.
- (iii) In respect of loans, secured or unsecured granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013:
- The Company has given loans or advances to one such party. In respect of such loans or advances the maximum amount outstanding at any time during the year was Rs 365.52 Lacs and year-end balance is Rs 334.90 Lacs .
 - In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions of the loans or advances given by the Company, are prima facie not prejudicial to the interest of the Company.
 - The loans or advances given by the Company to such parties are repayable on demand.
 - In respect of the said loans or advances and interest thereon, there are no overdue amounts.
- iv) In our opinion, and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to purchase of fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
- v) The Company has not accepted any Fixed Deposits from the public other than from director and their relatives.
- vi) The Central Government has not trescribed maintenace of cost recoreds pursutnt to section 148(1) of the companies Act, 2013. Therefore the provision of clause (vi) of paragrach 3 of the Order are not applicable to the Company.
- vii) a) According to the information and explanations given to us, company has defaulted in depositing the undisputed statutory dues in respect of Professional Tax , Income tax deducted at Source by it and funds payable to Investor Education and Protection Fund .
- b) As regards the disputed statutory liabilities –

Based on the representation by the Management , we report that there are disputed income tax liabilities of Rs. 15206 lakhs in respect of the Assessment Years 2002-03; 2003-04: 2004-05 2011-12 and 2012-13 as on date of our reporting. Details of authorities before whom the tax proceedings are pending have not been provided to us and we are also not able to comment on the outcome of income tax proceedings and consequential total income tax liabilities The company has not filed the income tax return from assessment year 2013-14 onwards.

- viii) The company does not have any accumulated losses at the end of the year. However company incurred the cash losses of Rs. 20.49 lacs during the Financial Year covered by the Audit and it also incurred cash losses of Rs. 24.11 lacs in the immediately preceding Financial Year.
- ix) According to the information and explanation given to us by the management and based on our examination of the record, we are of the opinion the Company has not defaulted in repayment of dues if any to the financial institutions, Banks & debentureholders.
- x) According to the information and explanation given to us, the Company has not given guarantee in respect loans taken by other companies from Banks and financial institutions .
- xi) During the year, the Company has not raised any money by way of public issue and the question of disclosing the end use of money by the management does not arise.
- xii) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

For P.C. Surana & Co.
Chartered Accountants
(Registration No.110631W)

Place : Mumbai
Dated : 24th November, 2015

P.C. Surana
Partner
M. No: 017136

CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2015
CIN:L99999MH1992PLC066360

PARTICULARS	Notes	30th June, 2015 Amount (Rs.)	30th June, 2014 Amount (Rs.)
I. EQUITY AND LIABILITIES			
1. Share Holders Funds			
(a) Share Capital	2	599,854,880	599,854,880
(b) Reserves and Surplus	3	872,880,652	885,676,762
(c) Money received against Share warrants		-	-
2. Share Application money pending allotment		-	-
3. Non Current Liabilities			
(a) Long Term Borrowings	4	1,172,759	101,285,241
(b) Deferred Tax Liabilities (Net)		188,851	188,851
(c) Long Term Provision - Income Tax			
4. Current Liabilities			
(a) Short Term Borrowings		-	-
(b) Trade Payables		127,128,678	26,106,958
(c) Other Current Liabilities	5	6,113,765	6,113,765
(d) Short term Provisions	6	20,308,474	20,308,474
		<u>153,550,917</u>	<u>52,529,197</u>
Total Equity and Liabilities		<u>1,627,648,059</u>	<u>1,639,534,931</u>
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets	7		
(i) Tangible assets		2,191,420	2,191,420
(ii) Intangible assets		-	-
(iii) Capital Work in Progress		-	-
(b) Non Current Investment			
(c) Long Term Loans and Advances - Deposit		-	-
Goodwill Account		1,491,731,226	1,478,611,197
2. Current Assets			
(a) Work in process		-	-
(b) Trade Receivables	9	51,834,326	58,814,680
(c) Cash and cash equivalents	10	6,512,536	7,417,231
(d) Short Term Loans and Advances	11	75,378,551	92,500,403
		<u>133,725,413</u>	<u>158,732,314</u>
Total Assets		<u>1,627,648,059</u>	<u>1,639,534,931</u>
Significant Accounting Policies	1		

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For P C Surana & Co.

For SILVERLINE TECHNOLOGIES LIMITED

CIN:L99999MH1992PLC066360

Chartered Accountants

[Reg No. 110631W]

P C Surana

Partner

M No:- 017136

Mumbai, 24th November,2015

Ravi Subramanian [DIN 02151804]

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 24th November,2015

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2015
CIN:L99999MH1992PLC066360

Particulars	Notes	30th June, 2015	30th June, 2014
		Amount	Amount
Revenue from Operations	12	30,165,247	76,495,294
Other Income	-	-	2,517,194
Total Revenue (I+II)		30,165,247	79,012,488
Expenses:			
Software development charges		23,870,120	48,011,559
Total Employees Expenses	13	7,836,960	18,612,140
Financial Cost		-	-
Depreciation and Amortisation expenses	14	-	2,726,364
Other Expenses	15	11,254,277	27,480,381
Total Expenses (IV)		42,961,357	96,830,444
Profit Before Exceptional and Extraordinary items and Tax		(12,796,110)	(17,817,956)
Exceptional Items (See note 1)		-	66,606,064
Profit Before Extraordinary items and Tax		(12,796,110)	(84,424,020)
Extraordinary items		-	-
Profit Before Tax		(12,796,110)	(84,424,020)
Tax Expenses			
(a) Current Tax - Income Tax		-	-
(b) Deferred Tax		-	364,682
(c) Provsion of Tax (Earlier Years)		-	-
Profit/(Loss) from the period from continuing operations		(12,796,110)	(84,059,338)
Loss from discontinuing operations		-	-
Tax expenses of discontinuing Operations		-	-
Loss from discontinuing operations		-	-
Profit/(Loss) for the period		(12,796,110)	(84,059,338)

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For P C Surana & Co.

Chartered Accountants

[Reg No. 110631W]

P C Surana

Partner

M No:- 017136

Mumbai, 24th November,2015

For SILVERLINE TECHNOLOGIES LIMITED

CIN:L99999MH1992PLC066360

Ravi Subramanian [DIN 02151804]

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 24th November,2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	30/06/2015 Rs.	30/06/2014 Rs.
Cash flows from operating activities		
Net Profit before Tax and before extraordinary item	(12,796,110)	(84,059,338)
Adjustments for :		
Depreciation	-	2,726,364
Preliminary Expenses & Filing fees written off	-	-
Provision for Doubtful Debts	-	-
Provision for Income Tax	-	-
Dividend Income	-	-
Un-realised Forex Gain	-	-
Goodwill written off - Exceptional Item	-	66,606,064
Sub Total	(12,796,110)	(14,726,910)
Operating Profit before Working Capital changes	-	-
Working capital changes		
Increase in Sundry Debtors	6,980,354	16,856,689
Increase in advances recoverable in cash or kind or for value to be received	17,121,852	35,472,893
Increase / Decrease in Sundry Creditors	101,021,720	(38,404,287)
Increase / Decrease in Work in Process	-	-
Increase / Decrease in other current liabilities	-	-
Increase in provisions	-	207,124
Increase in Deferred Tax	-	(364,682)
Net Cash from operating activities	125,123,926	13,767,737
Cash flows from investing activities		
Purchase of Fixed Assets	-	-
Investment Account	-	-
Dividend Income	-	-
Net cash (used in)/surplus from investing activities	-	(959,173)
Fluctuation in the value if Foreign Exchange/Goodwill	13,120,029	819,443
Cash flows from financing activities		
Proceeds from issuance of share capital and share premium	-	-
Borrowings (Net)	(100,112,482)	(40,000)
Extraordinary Items-Premium on prepayment of foreign currency term loans		
Net cash (used in)/ surplus from financing activities	(904,695)	(179,732)
Net increase in Cash & Cash equivalents	-	-
Effect of Unrealised foreign exchange fluctuation gain / (loss)	-	-
Cash & Cash equivalents at the beginning of the year	7,417,231	7,596,963
Cash & Cash equivalents at the end of the year	6,512,536	7,417,231

As per our report of even date attached

For P C Surana & Co.Chartered Accountants
[Reg No. 110631W]**P C Surana**

Partner

M No:- 017136

Mumbai, 24th November,2015

For SILVERLINE TECHNOLOGIES LIMITED**CIN:L99999MH1992PLC066360****Ravi Subramanian [DIN 02151804]**

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 24th November,2015

Notes to consolidated Financial statements for the year ended June 30th 2015**NOTES - 1****SIGNIFICANT ACCOUNTING POLICIES & BASIS OF ACCOUNTING**

The financial statements are prepared on the basis of Historical cost convention in accordance with the Indian generally accepted Principles (GAAP), applicable Accounting Standard issued by the institute of Chartered Accountants of India (ICAI) and the provisions of the Company act 2013.

CONSOLIDATION

The accounting Consolidation financial statement comprise the accounts of Silverline Technologies Limited and its subsidiaries Innovative BPO Services Inc. Canada and Millennium Care Inc. Canada. all the subsidiaries are owned 100% by silverline Technologies Limited.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP require Management to make estimates and assumptions that effects the reported amount of assets and liabilities disclosure of contingent assets & Liabilities at the date of financials Statements and the reported amounts of revenue & Expenses during the reporting periods. Examples of such estimates include estimates of useful life of assets and future obligations under employee retirement benefit plans. Actual results could be differ from those estimates and difference between the actual results and estimates are recognized in period in which the result known/materialized.

REVENUE RECOGNITION

Revenue from software development of fixed price contract is recognized according to the milestones achieved as specified in contracts on the basis of works completion method. With respect to time and materials contracts revenue is recognized proportionately over the period in which services are rendered. Interest is recognized using the time proportion method, based on rates Implicit in the transaction. Dividend income is recognized when the Company's right to receive dividend is established.

FIXED ASSETS, CAPITAL WORKS IN PROGRESS AND DEPRECIATION

Fixed assets are stated at the cost of acquisition including taxes, duties, freight, exchange gains/losses and other incidental expenses including interest related to acquisition and installation. Capital work in progress includes the cost of fixed assets and amount advanced towards capital projects under development.

IMPAIRMENT OF ASSETS

Management evaluates at regular intervals, Using External & Internal source whether there is any impairment of any assets. Impairment Occurs where the Carrying Value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. Any loss on account of Impairment is expensed as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined.

BORROWING COST

Borrowing cost include interest, amortization of ancillary cost incurred. The cost of borrowing are capitalized as a part of the cost of the qualifying assets when it is possible that they will result in future economic benefits and the cost can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are uncured.

SOFTWARE DEVELOPMENT EXPENSES

Cost of software that is embedded in the hardware is capitalized purchase of softwares for development is charged to Profit & Loss Account.

EMPLOYEE BENEFITS

The Company has no outstanding liability towards the employee benefits like gratuity etc. as on date. The company is deducting provident fund from the salary as prescribed under the Act and which is recognized in the balance sheet. The employee benefits of short term nature are recognized as expenses as and when accrued.

TAXATION

The provision for current taxation is computed in accordance with the relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

Notes to consolidated Financial statements for the year ended June 30th 2015**CONVERSION OR TRANSLATION OF FOREIGN CURRENCY ITEMS**

Transactions in foreign currency are accounted at the average rate prevailing during the period of the accounting year. Current assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing at the Balance Sheet date.

In respect of foreign current liabilities and current assets, translations are at the closing exchange rate. items are translated at the average exchange rate. Fixed Assets , investment and depreciation thereon are translated at the rates prevailing at the time of their acquisition.

EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax (and include post tax effect of any extraordinary items.) The number of shares used in computing basic earnings per share is the weighed average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average shares considered for deriving basic earning per share, and also the weighted average number of equity shares which could have been issued on conversion of all dilative potential equity shares.

SEGMENT REPORTING

The company provides comprehensive range of information technology services comprising software development, system solutions, application software system maintenance software to its customers across the industry. Accordingly, the company has identified IT service as single business segment, which constitutes the primary basis of segmental reporting, set out in financial statements. Secondary segments are reported on the basis of geographical location of the customers.

RELATED PARTY TRANSACTIONS

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party of exercise significant influence over the other party in making financial or operating decisions. Parties are considered to be related if they are subject to common control or common significant influence.

PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not provided for in the books but are disclosed by way of notes in the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2015

Particulars	As at 30th June, 2015 (Rs.)	As at 30th June, 2014 (Rs.)
NOTE - 2 SHARE CAPITAL		
Authorised and Nominal		
3,00,00,00,00(Previous Year 3,00,00,00,00) Equity Shares of Rs. 10 each	<u>3,000,000,000</u>	<u>3,000,000,000</u>
Issued, Subscribed & Paid up		
5,99,854,88 (Previous Year 5,99,854,88) Equity Shares of Rs. 10 each	<u>599,854,880</u>	<u>599,854,880</u>
Total	<u>599,854,880</u>	<u>599,854,880</u>
Reconciliation of Equity Shares outstanding at the beginning and at the end of the year		
Equity Shares outstanding at the beginning of the year	599,854,880	599,854,880
Add : Issued by allotment of Share Application Money	<u>0</u>	<u>0</u>
At the end of the year	<u>599,854,880</u>	<u>599,854,880</u>
Terms attached to equity shares		
The Company has only one class of equity shares having par value of Rs 10/- share. Each holder of equity share is entitled to one vote per share.		
Details of shareholding more than 5% shares in the company	Nil	Nil
NOTE 3 - RESERVES AND SURPLUS		
Capital Reserve		
Balance as at the beginning of the year	825,648,245	825,648,245
Add / (Less) - Adjustment	<u>0</u>	<u>0</u>
Profit and Loss Account		
Balance as at the beginning of the year	60,028,517	144,087,855
ADD: Net (Loss)/Profit from Profit & Loas Account	<u>(12,796,110)</u>	<u>(84,059,338)</u>
Net surplus in the Account	<u>47,232,407</u>	<u>60,028,517</u>
Foreign Exchange Fluctuation Reserve	<u>-</u>	<u>-</u>
Total	<u>872,880,652</u>	<u>885,676,762</u>
NOTE 4 - LONG TERM BORROWINGS		
Payable for more than one Year		
Inter Corporate deposits	-	99,915,761
Other unsecured from directors and relatives	<u>1,172,759</u>	<u>1,369,480</u>
Total	<u>1,172,759</u>	<u>101,285,241</u>
The loans are repayable on demand		
NOTE 5 - OTHER CURRENT LIABILITIES		
Employee Contribution towards Provident Fund	479,337	479,337
Unpaid dividend	5,085,306	5,085,306
Other Statutory Dues	<u>549,122</u>	<u>549,122</u>
Total	<u>6,113,765</u>	<u>6,113,765</u>

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2015

Particulars	As at	As at
	30th June, 2015	30th June, 2014
	(Rs.)	(Rs.)
NOTE 6 - SHORT TERM PROVISIONS		
Taxation account	20,308,474	20,308,474
Total	20,308,474	20,308,474

NOTE 7 - FIXED ASSETS

Sr. No.	Particulars	Gross assets				Fixed assets Depreciation				As at	As At
		01/07/2014	Addition	Deletion	30/06/2015	01/07/2014	Addition	Deletion	30/06/2015	30/06/2015	30/06/2014
1	Computer and software	216,126,576	-	-	216,126,576	214,255,008	-	-	214,255,008	1,871,568	4,310,370
2	Electrical fitting	1,884,723	-	-	1,884,723	1,884,723	-	-	1,884,723	-	-
3	Furniture and Fixture	28,488,771	-	-	28,488,771	28,364,365	-	-	28,364,365	124,406	218,229
4	Office Equipment	7,583,541	-	-	7,583,541	7,388,095	-	-	7,388,095	195,446	389,185
Total		254,083,611	-	-	254,083,611	251,892,191	2,726,364	-	251,892,191	2,191,420	4,917,784
Previous Year		327,126,775	-	(73,043,164)	254,083,611	249,165,827	2,726,364	-	251,892,191	2,191,420	4,917,784

NOTE 8 TRADE RECEIVABLES**Unsecured, Considered Good by the management**

Outstanding for a period exceeding six months	31,569,280	28,383,242
Other Debts	20,265,046	30,431,438
Total	51,834,326	58,814,680

NOTE 9 - CASH AND CASH EQUIVALENT

Cash		
Cash and bank balances	6,512,536	7,417,231
Total	6,512,536	7,417,231

NOTE 10 - SHORT TERM LOANS AND ADVANCES**Unsecured, Considered Good****Loans and advances****Advances recoverable in cash of kind or for value to be considered good**

Intercorporate deposits	69,072,530	86,146,582
Income tax and TDs Account	6,306,021	6,306,021
Advance to employees	-	47,800
Total	75,378,551	92,500,403

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2015

Particulars	As at 30th June, 2015 (Rs.)	As at 30th June, 2014 (Rs.)
NOTE 11- Revenue Account		
Domestic	-	-
Export	30,165,247	76,495,294
Total	30,165,247	76,495,294
NOTE 12 - EMPLOYEES EXPENSES		
Salaries and Wages	7,836,960	18,477,386
Contribution to PF, ESIC & Admn Charges	-	62,040
Staff Welfare Expenses	-	72,714
Total	7,836,960	18,612,140
NOTE 13 - DEPRECIATION AND AMORTISATION COST		
Depreciation as per schedule	-	2,726,364
Total	-	2,726,364
NOTE 14 - OTHER EXPENSES		
Rental Expenses	1,890,000	7,241,209
Bank Charges	55,280	941,021
Repairs and maintenance, Computer Peripherals	7,250	7,250
R&T Depository and Compliance charges	2,500,000	2,478,856
Electricity Charges	208,563	17,139
Legal and Professional Expenses	598,756	495,840
Printing and Stationery	63,108	21,250
Service Tax	-	426,931
Communication Expenses	1,451,158	7,066,487
Travelling and Conveyance	2,075,260	3,985,536
Audit Fees	171,000	162,500
Miscellaneous expenses	1,835,612	4,162,999
Selling and Distribution	398,290	473,363
Total	11,254,277	27,480,381

NOTE - 15

Balances of the Unsecured Loans, Sundry Creditors, Sundry Debtors and Loans and Advances are subject to confirmation and reconciliation, if any.

NOTE 16 - EXPENDITURE IN FOREIGN CURRENCY

Software Development Charges	23,870,120	3,763,345.00
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NOTE 17 - EARNINGS IN FOREIGN CURRENCY

Exports of Softwares	30,165,247	48,011,559
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CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2015

NOTE 18 - RELATED PARTIES DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

Key Managerial Persons

Mr. Ravi Subramanain	Chairman
Mr. Mohan Subramanain	Wholetime Director
Mr. Dr, Narayan Raman	Director
Mr. Krishnakumar Subramanian	Director

Subsidiary Company

Innovative BPO SolutionsLtd Canada

Millenniumcare Inc. Canada

Associates

Nextgen Animation Mediaa Ltd.

Transactions during the year with related parties : (Rs. In Lacs)**Nature of Transaction**

With Subsidiary Companies Nil

With Others

	Key Managerial Persons	Associates	Total
Directors Remuneration	0.00	0.00	0.00
	3.00	0.00	3.00
Loans/Advances repaid	0.40	0.00	0.40
	0.91	0.00	0.91
Loans/Advances received (Net)	0.00	5.96	0.00
	10.06	0.00	10.06
Given Advances received back	0.00	30.62	30.62
	0.00	205.29	205.29

Note: Figures in italics are of previous year.

Balances as on 30.06.2014

Loans/Advances received (Net)	13.69	0.00	13.69
Loans / Advances given	0.00	328.94	328.94

Disclosure in Respect of Material Related Party Transaction during the year

Director Remuneration Rs. Nil (Previous Year Rs. Nil)

Loans/Advances received includes:-

From Mr. Mohan Subramanain Rs. Nil (Previous year Rs.10.06 lakhs)

Loans/Advances repaid

Mr. Krishnakumar Subramanian Rs. 0.40 lakhs (Previous year Rs.0.91 Lakhs.)

Given Advances received back includes:-

Nextgen Animation Mediaa Ltd. Rs. 5.69 (Previous year Rs. 30.62)

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2015

NOTE 19 - SEGMENT REPORTING

Providing of information technology services is the Company's only signal business segment, hence the disclosure of segment wise information as required by Accounting Standard (AS) 17 on "Segment Reporting" is not applicable .

NOTE 20- CONTINGENT LIABILITIES AND COMMITMENTS**Claims against the Company /disputed liabilities not acknowledged as debts:****(As per the representation made by the Management)**

Disputed Income tax liabilities of Rs. 15206 lakhs in respect of Assessment years 2001-02; 2002-03; 2003-04, 2011-12 and 2012-13

The Company has disputed against the same with appropriate authorities and it has not provided for the same in view of it was legally advised.

NOTE - 21

Figures of the previous year have been regrouped/recast or reclassified wherever considered necessary.

The accompanying notes are intergral part of the financial statements

As per our report of even date attached

For P C Surana & Co.

Chartered Accountants

[Reg No. 110631W]

For SILVERLINE TECHNOLOGIES LIMITED

CIN:L99999MH1992PLC066360

P C Surana

Partner

M. No.: 017136

Mumbai, 24th November,2015

Ravi Subramanian [DIN 02151804]

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 24th November,2015

SILVERLINE TECHNOLOGIES LIMITED

Registered Office: No. 121, SDF IV, SEEPZ, Andheri (East), Mumbai-400 096.

ATTENDANCE SLIP

Names of the Members: _____

Folio No. _____

Client ID No.: _____

DP ID No.: _____

No. of shares held: _____

Name of Proxy : _____

Members/ Proxy's Signature: _____

(To be signed and handed over at the entrance of the meeting hall)

I hereby record and confirm my presence at the 23rd Annual General Meeting of the Company held at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071. on Wednesday 30th December,2015 at 09.00 A.M.

- NOTES:
1. Shareholder/proxy holder wishing to attend the meeting must bring the Attendance slip to the meeting and hand it over at the entrance duly signed.
 2. Shareholder/proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

SILVERLINE TECHNOLOGIES LIMITED

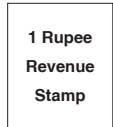
Registered Office: No. 121, SDF IV, SEEPZ, Andheri (East), Mumbai-400 096.

PROXY FORM

I/We _____ of
 _____ in the district of _____ being a member/
 members of the above named Company, hereby appoint _____ of
 _____ or failing him _____ of
 _____ in the district of _____ as my/

our Proxy to vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company held on Wednesday, 30th December,2015 at 09.00 A.M. at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071 and at any adjournment thereof.

Signed this _____ day of _____ 2015



Signature

Notes:

1. The Proxy form duly completed should be deposited at the Registered office of the Company not less than 48 Hours before the time fixed for the meeting.
2. The proxy need not be a member of the Company.
3. All alterations made in the form of Proxy should be initialed.
4. In case of multiple proxies, proxy later in time shall be accepted.

SILVERLINE TECHNOLOGIES LIMITED

Registered Office: No. 121, SDF IV, SEEPZ, Andheri (East), Mumbai-400 096.

BALLOT FORM

- (1) Name(s) of Shareholder(s) (Including Joint-holders, if any :

- (2) Registered Address of the Sole / First Named Shareholder :

- (3) Registered Folio No. / DPID No. / Client ID No. : (*Applicable to investors holding shares)

- (4) No. of Shares held :

- (5) I/We hereby exercise my/our vote in respect of the following Resolutions, the Resolutions are (i) Issue of the Preferential Convertible Warrants & (ii) Issue of Equity shares to the Promoters of M/s 2i Solution Inc. Canada to be passed through Ballot for the business stated as below in line with the Notice of the Company by sending my/our assent or dissent against each Resolution by placing tick (√) mark at the appropriate box below.

I/We assent to the Resolution (For) 23rd AGM in the Order	I/We assent to the Resolution (For)	I/We dissent to the Resolution (Against)	I/We are neutral to the Resolution
Resolution No.1			
Resolution No.2			

Date: 30th December , 2015

(Signature of Shareholder)

INSTRUCTIONS:

1. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholders.
2. The Scrutinizer's decision on the validity of a Ballot form will be final

BOOK - POST

If undelivered, please return to:

Link Intime India Private Limited

(Unit: Silverline Technologies Limited)

C-13, Kantilal Maganlal Industrial Estate,
Pannalal Silk Mills Compound, LBS Marg,
Bhandup (West), Mumbai - 400 078.