

21<sup>ST</sup>  
ANNUAL  
REPORT  
2011-12





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## VISION AND MISSION

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### **Vision**

To become the Partner of Choice for Integrated Practice Management and Revenue Management Solutions for Physicians and Healthcare Providers by providing cutting edge technology backed by immaculate service delivery network that follows the Sun

### **Mission**

A seamless integration of state of the art technology into a single source Clinical Data Management, Billing and Receivable Management Solutions and acquire clients on Software As A Service model. Provide Total Customer Satisfaction through simple yet powerful tools



## IN CONSOLIDATION MODE...

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Accentia has gone a long way from being a single location, single service firm to a multi location, diversified Knowledge Process Outsourcing Company, operating from multiple locations in India, USA, UK and the Middle East. Not resting at being one of the fastest growing Healthcare Receivables Cycle Management Companies, we have now ventured into offering Software As A Service model in the healthcare outsourcing area, since the US administration has made sweeping changes in the healthcare sector, especially in the documentation area.

Medical Transcription was a little known industry when the units in Trivandrum and Bangalore were started in 1998-1999. In the decade that followed, Accentia ventured into Coding, Billing and Collections in HRCM, but since the change over from traditional medical transcription to EMR (Electronic Medical Records) has happened, we were looking to capitalise on the huge opportunities that is now open for Healthcare BPO companies by adapting to the changed scenario in the past one year, and are now in the consolidation mode.

Today Accentia is a Truly Global Company with thousands of talented professionals and operations in Trivandrum, Kochi, Bangalore, Hyderabad and Bhubaneswar in India; Fort Lauderdale, Portland, Oregon, Chicago and New Jersey in the US, and Raz Al Khaima in the Middle East.

## MESSAGE FROM THE CEO

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Dear Shareholders,

It is indeed a pleasure to stand before you to present a concise summary on the performance of your Company for the Financial Year 2011-2012.

For the year ended 31.03.2012, Accentia recorded revenues of Rs 26,081 lakhs over Rs 33,124 lakhs recorded last year, a decline of 21.26%. Net profit decreased from Rs 7,534 lakhs last year to Rs 2,306 lakhs this fiscal. EPS is Rs 15.76 against Rs 51.50 last year. I would like to briefly dwell upon the activities of your Company during the last financial year.

Although we have achieved a lower than previous year's financial numbers, our Company has put a firm step on the technology-cum-service platform offering by releasing one of the most comprehensive and stable Software as a Service (SaaS) platform for the US healthcare market. The highly scalable SaaS platform will pave way for a sustainable and steady growth for our business in the coming quarters.

After the transformation period, our Company is presently going through a consolidation phase with our SaaS offering in the US market. As you would recollect, the healthcare domain in the United States of America's has been going through a transformation in the last couple of years due to some major policy changes. There has been many significant changes in the technology and processes being used in the healthcare industry due to the introduction of the new healthcare policy by the Obama administration. The US Senate passed a historic Healthcare Bill in 2010 that is set to eliminate gross inefficiencies in the system which was leading to wastage of billions of dollars. The new bill is totally changing the way documentation and healthcare receivables cycle management has been conducted over the past 3 to 4 decades. A major mandatory requirement as per the new Obama Healthcare Bill is the usage of an Electronic Medical Records (EMR) suite to capture and record patients' demographical, clinical and all other related data into a database, which can be accessed anytime for future reference and analysis. Obama administration has set apart more than US\$ 80 billion to offer as monetary incentives of up to US\$ 44,000 per physician, payable to all physicians who adopt EMR software which is certified by the ONC-ATCB (Office of the National Coordinator – Authorised Testing and Certification Body).

Accentia's all inclusive SaaS platform combining Practice Management System (instaPMS), Electronic Medical Records (instaEMR), Electronic Prescription Module (insta eRx), Electronic lab Order (insta elab), Electronic Billing Module (instaBilling, including EDI) and realtime integration with electronic clearing houses, Patient Portal etc, was first launched in 2011 and thereafter our Company has put continuous efforts in improving the mobility and security of the platform. At present instaSaaS, our SaaS platform is one of the most feature rich, fully mobile, 100% HIPAA compliant, highly scalable platforms that can handle upto a million providers at a time.

On the 28th of July 2011, our first EMR offering for physicians got certified by ONC – ATCB in the US. It has been a very successful one-year period since that day, with the Company launching 8 different product offerings in 22 conventions attended in the past one year. In March 2012, our company launched ChiroPad, the first EMR solution for Chiropractic discipline on iPad. Thereafter, we have successfully launched iMediPad, the EMR on iPad for Inetrnal Medicine and Cardiology specialties. Our core development team is currently focussed on the release of another 16 disciplines on our SaaS platform in the coming 6 months.

Our Company has invested considerable amount of funds in the development and continued improvements of PMS, EMR and SaaS paltform that helped us transform to a technology cum service provider from a pureplay global BPO service provider. On any scale, this is a creditable achievement in the most competitive market place and I would like to take this opportunity to thank each member of our team who has been working selflessly over the past 2 years with single focus and dedication to make us the best and biggest global SaaS player over next few years.

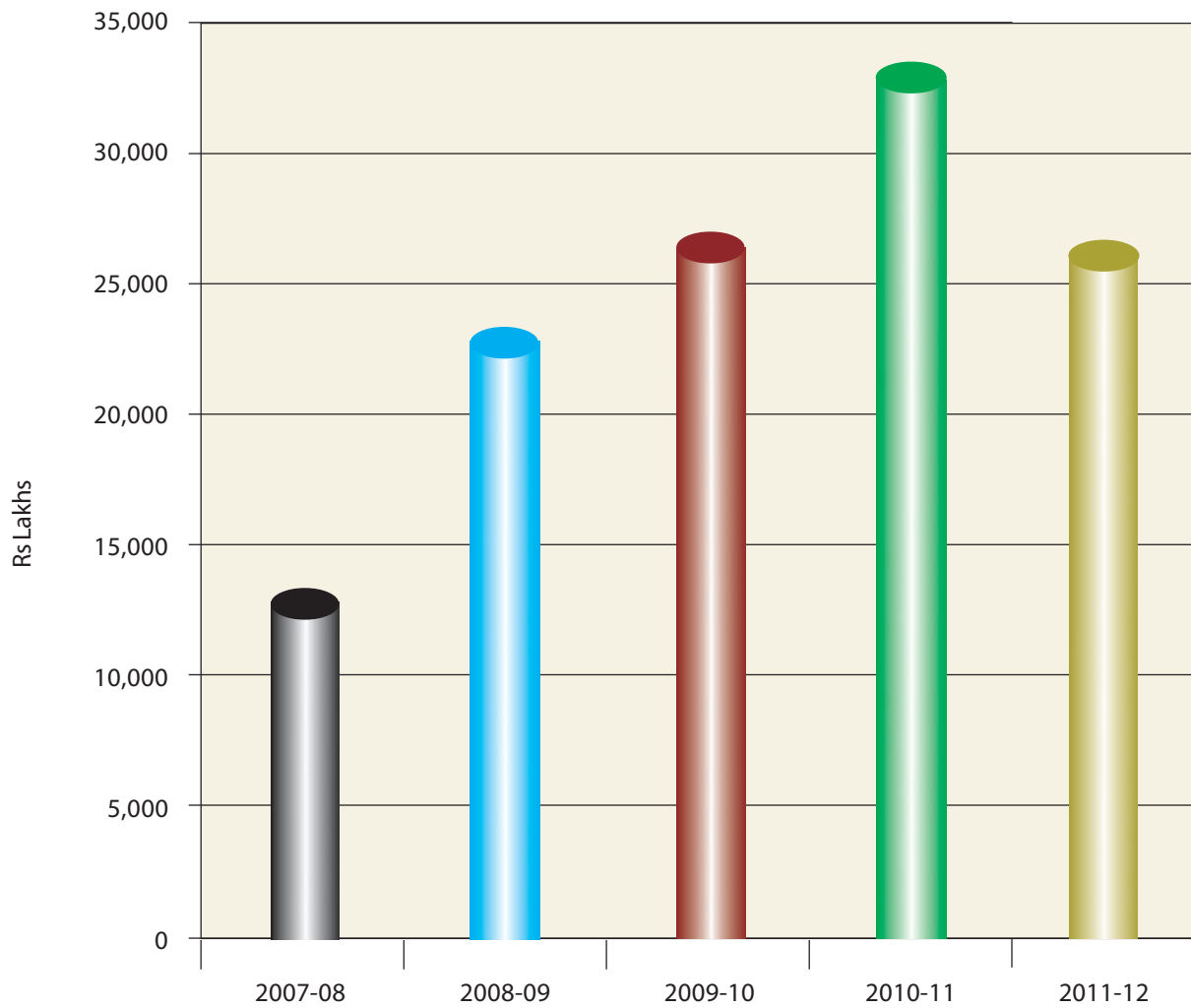
At present our focus is to acquire as many clients as possible on our SaaS platform before May 2014, the deadline for healthcare providers to migrate to EMR regime and claim the ARRA incentive from US Government. In order to conserve funds to meet the fund requirements for further development on 16 disciplines and aggressive marketing of SaaS, the Directors felt it is desirable not to recommend dividend on equity shares for the financial year.

During the financial year, Mr G. K. Misra resigned from the Board of Accentia Technologies due to his pre-occupation. I extend my sincere thanks to Mr Misra for his valuable contributions during his tenure.

Let me take this opportunity to thank all the shareholders for their continued faith in the Company and the understanding they have shown during the last couple of years during the transformation and consolidation phases. I look forward to your continued patronage and support to take our Company to be the number one globally in our domain over the next few years.

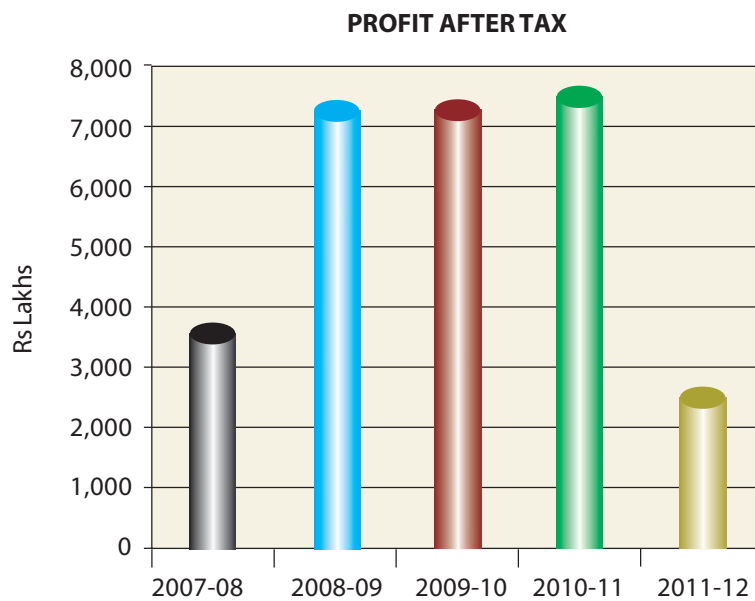
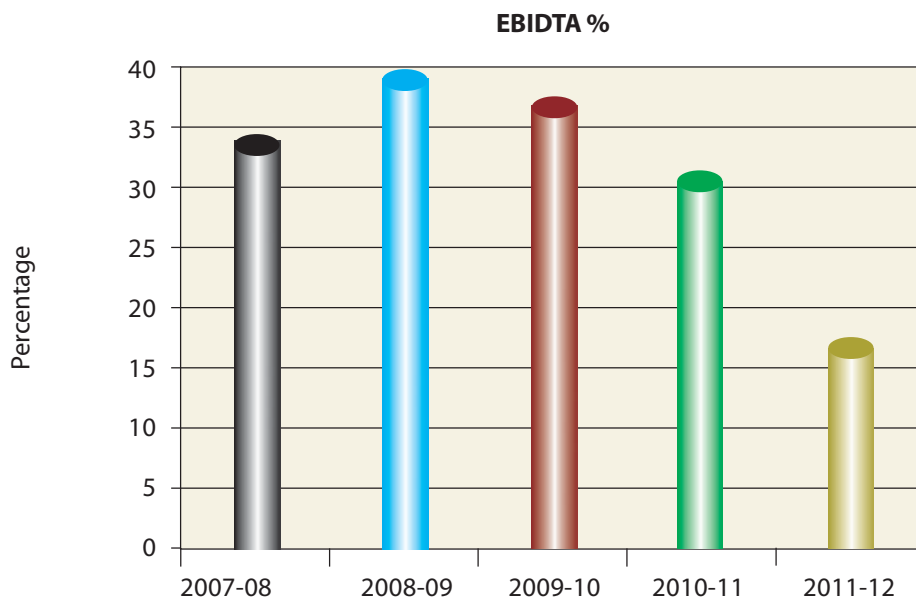
Pradeep Viswambharan  
Managing Director & Chief Executive Officer

### REVENUES



## FINANCIAL OVERVIEW

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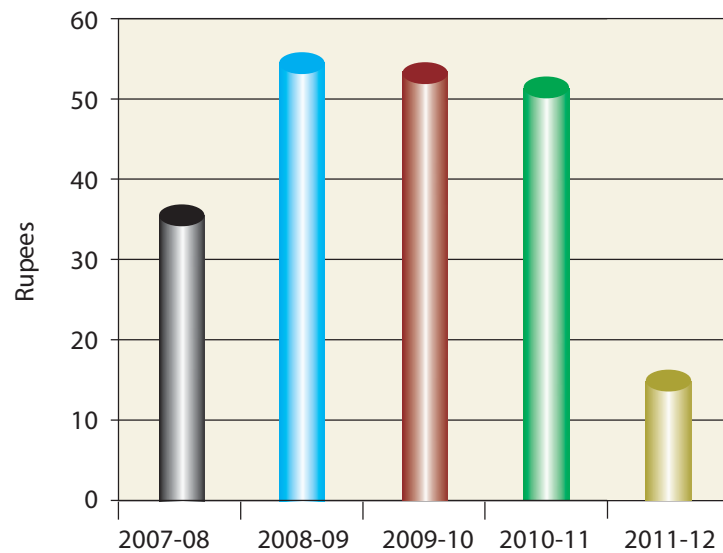




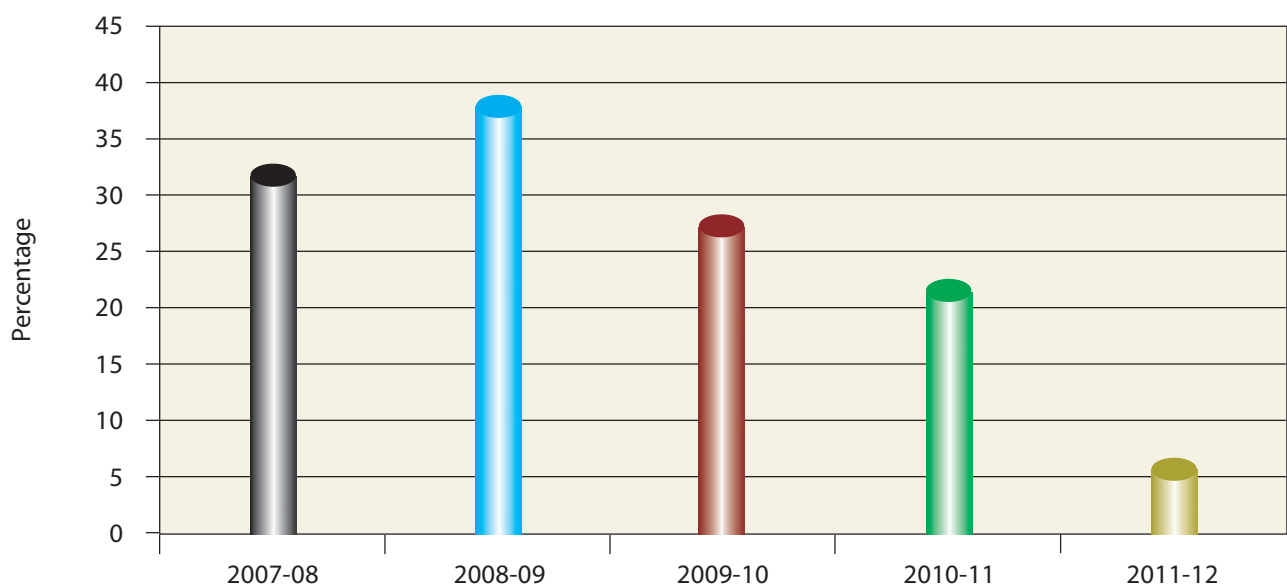
## FINANCIAL OVERVIEW

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### EARNINGS PER SHARE



### RETURN ON CAPITAL EMPLOYED



## CORPORATE INFORMATION

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### BOARD OF DIRECTORS

**Mr S.M. Parande**

Chairman,  
Independent Director

**Mr Pradeep Viswambharan**

Managing Director &  
Chief Executive Officer

**Mr Sooraj C. K.**

Director,  
Operations & HR

**Mr Ravi Sankar**

Director,  
Corporate Planning

**Mr Kabir Kewalramani**

Nominee Director

**Mr Kezer Kharawala**

Independent Director

## CORPORATE INFORMATION

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### Registered Office

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

### Registrar & Transfer Agents

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

### Company Secretary & Compliance Officer

Ms. Jayashree C. O.

### Auditors

M/s. DMKH & Co, Chartered Accountants

### Internal Auditors

M/s. Murali & Sumeet, Chartered Accountants

### Bankers

Exim Bank, ICICI Bank, Axis Bank,  
Federal Bank, Dhanalakshmi Bank  
Citi Bank NA, London, ICICI Bank, Hong Kong

## FACILITIES

### Trivandrum

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

C – 4, "TEJASWINI"  
Technopark Campus  
Trivandrum, Kerala 695 581

### Cochin

Near South Overbridge  
Valanjambalam  
Cochin 682 016

No. 6, Leela Infopark  
Kakkanad  
Kochi 682 030

### Bhubaneswar

STPI Complex  
Fortune towers  
Bhubaneswar 751 023

### Bangalore

3802/B, MKB Towers  
HAL 2nd Stage, Bangalore 560 038

### Hyderabad

Babu Khan Mall, Somajiguda  
Hyderabad 500 016

Chaitanyapuri, Dilsukhnagar  
Hyderabad 500 035

## SUBSIDIARY COMPANIES

### INDIA

#### Thunga Software Private Limited

MKB Towers, 7th Main,  
H A L 2nd Stage,  
Bangalore 560 038

#### Accentia Oak Technologies Pvt Ltd

4th Floor, Babu Khan Mall,  
Somajiguda, Hyderabad 500 016

#### Accentia Education Services P Ltd

International Infotech Centre  
CBD Belapur, Navi Mumbai  
Mumbai 400 614

### USA

#### GSR Physicians Billing Services Inc.

10096 Griffin Road,  
Cooper City, Florida 33328

#### GSR Systems Inc.

7481 W. Oakland Park Blvd.  
Suite 302, Lauderhill, Florida 33319

#### Denmed Inc.

1485 20th St SE  
Salem, Oregon 97302

#### Oak Technologies Inc.

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

### UAE

#### Accentia Technologies FZE

RAK Free Trade Zone  
P.O Box 10055, Ras Al Khaimah,  
United Arab Emirates

## DIRECTORS' REPORT

Distinguished Members,

It is a great privilege for the Directors to present the Twenty First Annual Report of the Company along with Audited Annual accounts for the financial year 2011-12.

### A. Performance of the Company

The healthcare segment in the US is compelled to shift from conventional Medical Transcription to Electronic Medical Records (EMR). Though the reforms open up tremendous opportunities for growth, the above mentioned transition has temporarily affected the productivity. However, the Company is carrying out the operational activities of the Company in a better manner.

### B. Financials of the Company

The financial highlights of the Company are given below:

#### Financial Results (Stand Alone)

₹ in lakhs

| Particulars                           | For the year ended<br>31.03.2012 | For the year ended<br>31.03.2011 |
|---------------------------------------|----------------------------------|----------------------------------|
| Total Income                          | 12,674.21                        | 10,854.79                        |
| Less: Total Expenditure               | 11,749.68                        | 8,682.24                         |
| Profit Before Tax & Exceptional items | 924.53                           | 2,172.55                         |
| Less: Exceptional Items               | -                                | (17.41)                          |
| Profit Before Tax                     | 924.53                           | 2,155.14                         |
| Less: Provision of tax                | (146.03)                         | (281.27)                         |
| Profit after Tax                      | 778.50                           | 1,873.87                         |

#### Financial Results (Consolidated)

₹ in lakhs

| Particulars                           | For the year ended<br>31.03.2012 | For the year ended<br>31.03.2011 |
|---------------------------------------|----------------------------------|----------------------------------|
| Total Income                          | 26,085.27                        | 33,123.67                        |
| Less: Total Expenditure               | 23,516.39                        | 24,592.39                        |
| Profit Before Tax & Exceptional items | 2,568.89                         | 8,531.28                         |
| Less: Exceptional Items               | -                                | (17.41)                          |
| Profit before Tax                     | 2,568.89                         | 8,513.87                         |
| Less: Provision of tax                | (256.97)                         | (978.90)                         |
| Profit after Tax                      | 2,311.92                         | 7,534.97                         |

### C. Dividend

In view of the need to conserve funds for plough back, the Directors feel it is desirable not to recommend any dividend on equity shares for the financial year.

### D. Share Capital

As on date of this report the Authorized capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crore only) divided into 2,50,00,000 equity shares of Rs. 10/- each. The total issued, subscribed and paid up capital of the Company as on the date of the report is Rs. 17,02,45,700/- (Rupees Seventeen Crores Two Lacs Forty Five Thousand Seven Hundred Only) divided into 1,70,24,570 equity shares of Rs. 10/- each.

### E. Constitution of the Board

During the last annual general meeting of the Company, Mr. G.K. Misra, who was liable to retire at the last Annual General Meeting, and has intimated his inconvenience to continue in the office of Director of the Company due to personal reasons has not been re-appointed and as such retired at last Annual General Meeting of the Company.

Mr. Kezer Abbas Kharawala and Mr. Kabir Kewalramani, Directors, will be retiring at the ensuing Annual General Meeting and are eligible for re-appointment.

| Name of Directors          | Designation                          | Date of Appointment |
|----------------------------|--------------------------------------|---------------------|
| 1 S. M. Parande            | Chairman,<br>Independent<br>Director | 28/07/2006          |
| 2 Pradeep<br>Viswambharan  | Managing<br>Director & CEO           | 28/03/2006          |
| 3 Sooraj C. K.             | Whole Time<br>Director               | 22/03/2006          |
| 4 Ravi Sankar              | Executive<br>Director                | 26/04/2010          |
| 5 Kabir Kewalramani        | Nominee<br>Director                  | 19/10/2007          |
| 6 Kezer Abbas<br>Kharawala | Independent<br>Director              | 12/11/2010          |

### F. Fixed Deposits

Your Company has not accepted any public deposit within the meaning of provisions of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 and as such no amount of principal or interest are outstanding as on the balance sheet date.

## **G. Management Discussion and Analysis**

The Management Discussion and Analysis including the result of operations of the Company for the year under review, as required under Clause 49 of the listing agreement with the stock exchange is appended to this report.

## **H. Corporate Governance**

Your Directors affirm their commitments to the Corporate Governance standards prescribed by the Securities and Exchange Board of India (SEBI). A report on the Corporate Governance with Management Discussions and Analysis as required under Clause 49 of the Listing Agreement forms part of this report.

The requisite Certificate from the Auditors of the Company confirming compliance with conditions under aforesaid Clause 49 is attached to this report.

## **I. Auditors**

M/s. DMKH & Co, Chartered Accountants, Mumbai, the Statutory Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting and is eligible for re- appointment. The Company has received confirmation from the Auditors that their re-appointment will be within the limits prescribed under section 224(1 B) of the Companies Act, 1956. The necessary resolution is being placed before the shareholders for approval.

## **J. Auditor's Report**

The report of the Auditors of the Company and notes to the accounts are self explanatory and therefore do not call for any further comments and may be treated as adequate compliance of Section 217(3) of the Companies Act, 1956.

## **K. Directors' Responsibility Statement:**

Pursuant to Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) that the directors had taken proper and sufficient

care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (iv) that the directors had prepared the annual accounts on a going concern basis.

## **L. Particulars Of Employees**

During the period under review, no employee of the Company has received remuneration at a rate, which, in the aggregate was more than Rs. 5,00,000/- or more per month or Rs.60,00,000/- or more per annum and hence there was no requirement of a statement under sub section (2A) of the Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

## **M. Conservation Of Energy**

Your Company's operations do not involve large scale use of energy. The disclosure of particulars under this head is not applicable as your Company operates in the Service sector. Although your Company is not a largescale energy user, it acknowledges the concept of conservation of energy.

## **N. Foreign Exchange Earnings & Outgo**

The foreign exchange earnings of the Company for the year is Rs. 12,624.05 lakhs as against Rs. 10,690.27 lakhs of the previous year and the foreign exchange outgo of the Company for the year is Rs. 1,596.91 lakhs as against Rs. 788.55 lakhs of the previous year.

## **O. Corporate Social Responsibility**

Your Company is known not only for its commitment towards its clients but also for its commitment to the society. Social commitment is becoming a part of Accentia culture.

Through the charitable foundation, Accentia Candle Light Charitable Trust, Accentia and its stakeholders contribute a part of their earnings, acquired knowledge, and efforts for the good of the underprivileged. Firmly anchored in our corporate values, it is reflected in our daily activities.

Accentia's current initiatives focus on facilitating underprivileged children's education, healthcare, and support for palliative care for children under the age of 18. Accentia also helps various terminally ill patients with healthcare and medical facilities and extends its support to various organizations who reach out these underprivileged people.

## P. Subsidiary Companies

Accentia is having 8 number of subsidiaries, namely;

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

In terms of the general exemption given by the Ministry of Corporate Affairs, Government of India (MCA) through General Circular No. 2/2011 and Press Note 3/2011, the Board of Directors has accorded their consent to the Company not to attach the specified particulars of its Subsidiary Companies with the balance sheet of the Holding Company.

## Q. Acknowledgement

Your Directors place on record their gratitude to the Central and State Governments, and the Company's Bankers for their assistance, co-operation and encouragement they have extended to the Company.

Your Directors would like to place on record their deep sense of appreciation and thanks to Shareholders, investors, customer, vendors and employees for their valuable trust in the Company's performance and for their support and encouragement, enabling the Company to venture in to various upcoming projects and spread its wings globally.

By and on behalf of the Board  
**Accentia Technologies Limited**

**Pradeep Viswambharan**  
*Managing Director &  
Chief Executive Officer*

**Sooraj C. K.**  
*Wholetime Director*

Navi Mumbai  
August 27, 2012

## CERTIFICATIONS AND REPORTS

### CEO Certification

I, Pradeep Viswambharan, Managing Director and Chief Executive Officer of M/s. Accentia Technologies Limited, to the best of my knowledge and belief, certify that:

- (a) We have reviewed the consolidated and stand alone Balance Sheet and the Profit and Loss account for the year ended 31.03.2012 and all its schedules, notes to accounts as well as the cash flow statement for that year and the Directors' Report for that year and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and

maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

- (d) We have indicated to the Auditors and the Audit Committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Navi Mumbai  
August 27, 2012

**Pradeep Viswambharan**  
Managing Director &  
Chief Executive Officer

**1. Company’s Philosophy on the Code of Governance**

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investors’ confidence and commitment to the Company. Accentia Technologies Ltd. believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchanges, the details are set out below:

**2. Board of Directors**

The Board of Directors comprises of six Directors. The composition and category of the Board is as follows:

| Name of the Director            | Category                                          |
|---------------------------------|---------------------------------------------------|
| 1. Pradeep Viswambharan Suseela | Executive Promoter Director/Managing Director/CEO |
| 2. Sooraj C.K                   | Executive Promoter Director/Whole- time Director  |
| 3. Ravi Sankar                  | Executive Director                                |
| 4. S.M. Parande                 | Independent Non executive Director/Chairman       |
| 5. Kabir Kewalramani            | Nominee Director                                  |
| 6. Kezer Abbas Kharawala        | Independent Non executive Director                |

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

During the year under review the Board of Directors met 6 times as against the minimum requirement of 4 meetings. The maximum time gap between any two meetings was not more than 4 calendar months in any case. The Board had met on 14.05.2011, 13.08.2011, 14.11.2011, 26.11.2011, 13.02.2012 and 27.02.2012.

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

| Name of Director             | Attendance |          | Relationship with other Directors | No. of other Directorships/ membership |                                                        |                         |                           |
|------------------------------|------------|----------|-----------------------------------|----------------------------------------|--------------------------------------------------------|-------------------------|---------------------------|
|                              | Board      | Last AGM |                                   | India Listed Companies*                | Companies all around the world (listed and unlisted)** | Committee Membership*** | Committee Chairmanship*** |
| Pradeep Viswambharan Suseela | 6          | YES      | None                              | NIL                                    | 10                                                     | NIL                     | NIL                       |
| Sooraj C.K.                  | 6          | YES      | None                              | NIL                                    | 5                                                      | 3                       | 1                         |
| Ravi Sankar                  | 6          | YES      | None                              | NIL                                    | 4                                                      | 1                       | NIL                       |
| S.M. Parande                 | 6          | YES      | None                              | 3                                      | 8                                                      | 2                       | 1                         |
| Kabir Kewalramani            | 4          | YES      | None                              | NIL                                    | 6                                                      | NIL                     | NIL                       |
| Kezer Abbas Kharawala        | 5          | YES      | None                              | NIL                                    | 1                                                      | 3                       | 1                         |

\* Excluding directorship in Accentia Technologies Limited

\*\* Including directorship in Accentia Technologies Limited and its subsidiaries

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

### 3. Audit committee

The audit committee of the company had been reconstituted with the following members Mr. S.M. Parande, Mr. Kezer Abbas Kharawala and Mr. Sooraj .C.K. The constitution of the committee also meets the requirements under Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are as contained in the Clause 49 of the Listing Agreement. Mr. S.M.Parande is the Chairman of the Audit Committee. The composition and attendance of the Committee is as follows:

| Name of the Director  | Position in committee | No. of committee meetings attended |
|-----------------------|-----------------------|------------------------------------|
| S.M. Parande          | Chairman              | 4                                  |
| Kezer Abbas Kharawala | Member                | 3                                  |
| Sooraj .C.K           | Member                | 4                                  |

During the year the Committee has met 4 times.

| Sl. No. | Venue                     | Date       |
|---------|---------------------------|------------|
| 1       | Hotel Sahara Star, Mumbai | 14.05.2011 |
| 2       | Hotel Sahara Star, Mumbai | 13.08.2011 |
| 3       | Hotel Sahara Star, Mumbai | 14.11.2011 |
| 4       | Hotel Sahara Star, Mumbai | 13.02.2012 |

### Terms of Reference

The terms of reference of the Audit Committee, broadly are as under:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair.
2. Recommending to the Board, the appointment, re-appointment of the statutory auditors, fixation of audit fees and fees for other services.
3. Reviewing, with Management, the quarterly and annual financial statements before submission to the Board for approval.
4. Reviewing the adequacy of internal control systems and internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
5. Discussing with internal auditors any significant findings and follow up there on.
6. Reviewing the findings of any internal investigations by the internal auditors into matters where there is

suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

7. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
8. To look into the reasons, if any, for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividend) and creditors.
9. Reviewing of the Internal Audit Reports of the foreign subsidiaries.

In addition to the above, all items listed in Clause 49 (II) (D) of the Listing Agreement.

### 4. Remuneration committee

The remuneration committee of the company had been constituted with the following members, Mr. Kezer Abbas Kharawala, Mr. S.M. Parande and Mr. Sooraj C.K. The remuneration committee has been constituted to recommend/review the remuneration package of the directors based on performance and defined criteria. The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice. Mr. Kezer Abbas Kharawala is the Chairman of the Remuneration Committee. The composition and attendance of the Committee is as follows:

| Name of the Director  | Position in committee | No. of committee meetings attended |
|-----------------------|-----------------------|------------------------------------|
| Kezer Abbas Kharawala | Chairman              | 3                                  |
| S.M. Parande          | Member                | 4                                  |
| Sooraj .C.K           | Member                | 4                                  |

During the year the Committee has met 4 times.

| Sl. No. | Venue                     | Date       |
|---------|---------------------------|------------|
| 1       | Hotel Sahara Star, Mumbai | 14.05.2011 |
| 2       | Hotel Sahara Star, Mumbai | 13.08.2011 |
| 3       | Hotel Sahara Star, Mumbai | 14.11.2011 |
| 4       | Hotel Sahara Star, Mumbai | 13.02.2012 |

### 5. Shareholders'/Investor grievance committee

The shareholders'/investor grievance committee had been reconstituted with the following members Mr. Sooraj C.K., Mr. Kezer Abbas Kharawala and Mr Ravi Sankar. Mr. Sooraj C.K., is



the Chairman of the shareholders'/investor grievance committee. The composition and attendance of the Committee is as follows:

| Name of the Director  | Position in committee | No. of committee meetings attended |
|-----------------------|-----------------------|------------------------------------|
| Sooraj C.K.           | Chairman              | 4                                  |
| Kezer Abbas Kharawala | Member                | 3                                  |
| Ravi Sankar           | Member                | 4                                  |

During the year the Committee has met 4 times.

| Sl. No. | Venue                     | Date       |
|---------|---------------------------|------------|
| 1       | Hotel Sahara Star, Mumbai | 14.05.2011 |
| 2       | Hotel Sahara Star, Mumbai | 13.08.2011 |
| 3       | Hotel Sahara Star, Mumbai | 14.11.2011 |
| 4       | Hotel Sahara Star, Mumbai | 13.02.2012 |

The Committee supervises the systems of redressal of Investor Grievances and ensures cordial investor relations. The scope and functions of the Committee also includes approval of transfer and transmission of shares and other matters like consolidation of certificates, issue of duplicate share certificates, dematerialisation/ rematerialisation of shares in stipulated time period. Minutes of its meetings and resolutions passed by the Committee through circulation are placed at the Board Meetings for information.

## 6. Investor grievances and share transfer

We have a Board-level investor grievance committee to examine and redress shareholders' and investors' complaints. The status on complaints and share transfers is reported to the Board from time to time. The details of shares transferred and the nature of complaints are provided in the additional information to Shareholders section of the Annual Report. The share transfer committee of the company will meet as often as required to approve the share transfers for matters regarding shares transferred in physical form, share certificates, dividends, change of address, etc. Shareholders should communicate with concerned intermediaries appointed for the purpose. Shares transacted in electronic form can be effected in a much simpler and faster manner. After confirmation of sale/purchase transaction from the broker, shareholders should approach the depository participant with a request to debit or credit the account for the transaction. The Depository participant will immediately arrange to complete the transaction by updating the account. There is no need for a separate communication to the company to register the share transfer.

## 7. Details of non-compliance

There has been no non-compliance of any legal requirements nor have there been any strictures imposed by any stock exchange, SEBI or SEC, on any matters relating to the capital market over the last three financial years.

## 8. General body meetings

The general meetings are the place for the shareholders to express their views and concerns and at Accentia we respect their right and privilege to a great extent. The general meetings of the company are being conducted in a proper and transparent manner and the same has enhanced the image of the company among investor community in a larger manner.

## Location and place of the last three Annual General Meetings

| Financial Year | Venue                       | Date & Day            | Time       | Special Resolutions passed                                           |
|----------------|-----------------------------|-----------------------|------------|----------------------------------------------------------------------|
| 2010-11        | Hotel The Park, Navi Mumbai | Wednesday, 21.12.2011 | 10.30 A.M. | 1. Further issue of Shares                                           |
| 2009-10        | Hotel The Park, Navi Mumbai | Wednesday, 29.09.2010 | 10.30 A.M. | 1. Further issue of Shares<br>2. Issue of Convertible Share Warrants |
| 2008-09        | Celebrations Hotel,         | Tuesday, 29.12.2009   | 10.30 A.M. | 1. Further issue of Shares                                           |

No special resolution was passed last year through postal ballot.

## SUBSIDIARY COMPANIES

The revised Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. Under this definition, the company does not have a material non-listed Indian subsidiary.

## 9. Whistle Blower Policy

Whistle blower policy is a mechanism which enables the employees of the company to report about any unethical behavior, actual or suspected fraud, violations of our Code of conduct or ethics policy while safeguarding the employees who avail of the mechanism against reprisals or victimization. The company provides the employees, customers and vendors an avenue to raise their concerns about any actions against ethical, moral and legal business conduct and the company's commitment to open communication. Accentia Technologies Limited retains the prerogative to determine

when circumstances warrant an investigation and in conformity with this policy and applicable laws and regulations the appropriate investigative process to be employed. And the mechanism also provides a direct access to the Chairperson of the Audit committee in exceptional cases taking into consideration the seriousness of the issue. We further affirm that no person has been denied the access to the audit committee during the fiscal 2011-12.

### 10. Code of Conduct

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

### 11. Disclosures

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

### 12. Means of Communication

The Company has promptly reported all information including declaration of Quarterly Financial Results to the Stock exchange where the stocks of the company are listed. The company also publishes the Un-audited financial results in Free Press Journal, English Newspaper and in Navshakti Marathi Newspaper.

### 13. General Shareholder information

#### 13.1 Annual General Meeting

Date & Time: Friday, 28th September, 2012 at 9.30 A.M.  
Venue: Hotel The Park, No. 1, Sector 10, CBD Belapur, Navi Mumbai, Maharashtra-400614.

#### 13.2 Financial Calendar

|                                   |                              |
|-----------------------------------|------------------------------|
| Result of First Quarter Declared  | Second week of August 2011   |
| Result of Second Quarter Declared | Second week of November 2011 |
| Result of Third Quarter Declared  | Second week of February 2012 |
| Result of Fourth Quarter Declared | Second week of May 2012      |

#### 13.3 Book closure Date :

23rd September, 2012 to 28th September, 2012 (both days inclusive)

**13.4** The equity shares of the Company are listed in Bombay Stock Exchange and the listing fees for the financial year 2011-12 has been duly paid to the stock exchange as per listing agreement.

#### 13.5 Stock Code :

BSE SCRIP CODE 531897

#### 13.6 Demat ISIN Numbers in NSDL and CDSL:

INE122B01012

#### 13.7 Stock Market Data at BSE

| Month          | High  | Low   | Close | No. of Trades |
|----------------|-------|-------|-------|---------------|
| April 2011     | 110   | 87.10 | 87.85 | 5664          |
| May 2011       | 98.45 | 66.25 | 80.4  | 8849          |
| June 2011      | 80.2  | 64    | 65.4  | 4824          |
| July 2011      | 79.9  | 63.3  | 68.5  | 5541          |
| August 2011    | 71.65 | 39.35 | 52.45 | 3746          |
| September 2011 | 68    | 53.5  | 55.3  | 3090          |
| October 2011   | 67.2  | 50.60 | 60.7  | 1465          |
| November 2011  | 61.5  | 44.25 | 48.5  | 1850          |
| December 2011  | 63.5  | 49.05 | 55.45 | 1589          |
| January 2012   | 68.25 | 53.75 | 63.6  | 1204          |
| February 2012  | 68.5  | 54.5  | 58.8  | 2405          |
| March 2012     | 73.5  | 55    | 67.15 | 2305          |

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

**13.9. Company Secretary & Compliance Officer :** Ms. Jayashree C.O., Company Secretary

**13.10. Registrar and Transfer Agents :** Sharex Dynamic (India) Private Ltd Unit-1, Luthra Ind. Premises, Safed Pool, Andheri- Kurla Road, Andheri(E), Mumbai-400072

#### 13.11. Share transfer system as per listing agreement and Companies Act, 1956

The Company's shares are under compulsory dematerialisation category and transfers in electronic mode are affected online by NSDL and CDSL. In respect of physical shares received for transfer, the Company normally processes the requests within 10-15 days and affects the transfer, if all the

papers received were in order. The Company after affecting the transfer of the shares sends dematerialisation option letter giving an option to the transferee to convert the shares into fungible form, which option he has to exercise within 15 days. Where the transferee exercises the option the shares

are converted into demat mode. In cases where the transferee wishes to have the physical shares, the same are sent immediately upon receipt of intimation. In those cases where option of dematerialisation is not exercised, the physical shares are sent to the transferee after expiry of the stipulated time.

### 13.12. Distribution of Shareholding as on 31st March 2012

| Range        | Total Holders | % Total Holders | Holding in Rs. | % Total Capital |
|--------------|---------------|-----------------|----------------|-----------------|
| 1- 5000      | 4086          | 77.83           | 5839810        | 3.99            |
| 5001-10000   | 443           | 8.44            | 3678420        | 2.51            |
| 10001-20000  | 267           | 5.09            | 4044510        | 2.76            |
| 20001-30000  | 119           | 2.27            | 3053490        | 2.09            |
| 30001-40000  | 67            | 1.28            | 2395510        | 1.64            |
| 40001-50000  | 44            | 0.84            | 2099360        | 1.43            |
| 50001-100000 | 109           | 2.08            | 7787330        | 5.32            |
| Above 100001 | 115           | 2.19            | 117411530      | 80.25           |
| TOTAL        | 5250          | 100.00          | 146309960.00   | 100.00          |

### 13.13. Distribution of Shareholders as on 31st March 2012

|   | Category of Shareholder                                                          | No. of Share holders | Total No. of Shares | Total No. of Shares held in dematerialized Form | Total shareholding as a % of total number of shares |                   | Share pledged or otherwise encumbered |                              |
|---|----------------------------------------------------------------------------------|----------------------|---------------------|-------------------------------------------------|-----------------------------------------------------|-------------------|---------------------------------------|------------------------------|
|   |                                                                                  |                      |                     |                                                 | As – a % of A+B                                     | As – a % of A+B+C | No. of shares                         | As a % of Total no of shares |
| A | Shareholding of Promoters And Promoter Group                                     |                      |                     |                                                 |                                                     |                   |                                       |                              |
| 1 | -Indian                                                                          |                      |                     |                                                 |                                                     |                   |                                       |                              |
| 1 | Indian Individuals/HUFs                                                          | 3                    | 2336294             | 2336294                                         | 15.97                                               | 15.97             | 1705000                               | 72.98                        |
| 2 | Foreign                                                                          | -                    | -                   | -                                               | -                                                   | -                 | -                                     | -                            |
|   | Total shareholding of Promoter and Promoter Group (A)                            | 3                    | 2336294             | 2336294                                         | 15.97                                               | 15.97             | 1705000                               | 72.98                        |
| B | Public Shareholding                                                              |                      |                     |                                                 |                                                     |                   |                                       |                              |
| 1 | Institutions                                                                     |                      |                     |                                                 |                                                     |                   |                                       |                              |
|   | -Venture Capital Funds                                                           | 1                    | 200414              | 200414                                          | 1.37                                                | 1.37              | -                                     | -                            |
|   | -Foreign Institutional Investors                                                 | 3                    | 1034612             | 1034612                                         | 7.071                                               | 7.071             | -                                     | -                            |
|   | SUB TOTAL                                                                        | 4                    | 1235026             | 1235026                                         | 8.44                                                | 8.44              | -                                     | -                            |
| 2 | Non-Institutions                                                                 |                      |                     |                                                 |                                                     |                   |                                       |                              |
|   | Bodies Corporate                                                                 | 184                  | 1187077             | 1187077                                         | 8.113                                               | 8.113             | -                                     | -                            |
|   | Individuals                                                                      |                      |                     |                                                 |                                                     |                   |                                       |                              |
|   | -Individual shareholders holding nominal share capital up to Rs. 1 lakh          | 4869                 | 2551641             | 2529545                                         | 17.440                                              | 17.440            | -                                     | -                            |
|   | -Individual shareholders holding nominal share capital in excess of Rs. 1 lakh   | 82                   | 4246874             | 4228908                                         | 29.027                                              | 29.027            | -                                     | -                            |
|   | Any others                                                                       |                      |                     |                                                 |                                                     |                   |                                       |                              |
|   | Clearing Members                                                                 | 14                   | 66948               | 66948                                           | 0.458                                               | 0.458             | -                                     | -                            |
|   | Non-Resident Indians                                                             | 93                   | 1154056             | 1154056                                         | 7.888                                               | 7.888             | -                                     | -                            |
|   | Foreign Corporate Bodies                                                         | 1                    | 1853080             | 1853080                                         | 12.665                                              | 12.655            | -                                     | -                            |
|   | SUB TOTAL                                                                        | 5243                 | 11059676            | 11019614                                        | 75.59                                               | 75.59             | -                                     | -                            |
|   | Total Public shareholding (B)                                                    | 5247                 | 12294702            | 12254640                                        | 84.03                                               | 84.03             |                                       |                              |
|   | Total (A)+(B)                                                                    | 5250                 | 14630996            | 14590934                                        | 100                                                 | 100               | 1705000                               | 11.653                       |
| C | Shares held by Custodians and against which Depository Receipts have been issued |                      |                     |                                                 |                                                     |                   |                                       |                              |
|   | Promoter and Promoter Group                                                      | -                    | -                   | -                                               | -                                                   | -                 | -                                     | -                            |
|   | Public                                                                           | -                    | -                   | -                                               | -                                                   | -                 | -                                     | -                            |
|   | SUB TOTAL                                                                        | -                    | -                   | -                                               | -                                                   | -                 | -                                     | -                            |
|   | Total (A)+(B)+(C)                                                                | 5250                 | 14630996            | 14590934                                        | 100                                                 | 100               | 1705000                               | 11.653                       |

### 13.14. Dematerialization of Shares Trading and Liquidity

Trading in equity shares of the company is permitted only in dematerialized form. As on 31st March 2012, 99.79% of the equity shares of the company are in the dematerialized form.

- 13.15 a) Investor correspondence** : Sharex Dynamic (India) Private Ltd  
Unit-1, Luthra Ind. Premises,  
Safed Pool, Andheri- Kurla Road,  
Andheri(E), Mumbai 400072
- For share transfer/dematerialization of shares  
Payment of dividend on shares, interest and  
Redemption of debentures and any other  
query relating to the shares and debentures  
of the company.
- b) Any other query** : D-207, Second Floor,  
International Info Tech Park,  
Belapur Railway Station, Sector-II,  
CBD Belapur, Navi Mumbai 400614

### CEO's DECLARATION TO COMPLIANCE OF CODE OF ETHICS

This is to confirm that the Company has adopted a Code of Ethics for its Board Members and Senior Management and the same is available on corporate website [www.accentiatech.com](http://www.accentiatech.com). I confirm that the Company has in respect of financial year ended March 31, 2012 received from the Members of the Board compliance with the Code of Ethics as applicable to them.

Place: Navi Mumbai  
Date : August 27, 2012

Pradeep Viswambharan  
Managing Director & CEO

## THE EVOLUTION - 1998 to 2006

### Humble beginnings...

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

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

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

### Going up the value chain

With the vast experience gained, Geosoft decided to venture

into providing consultancies to share the knowledge the aspirants starting Healthcare Documentation units in India and set up its consultancy division to provide end-to-end consultancy services to start ups. Most of these units spread across India which received hand holding from Geosoft, are running successfully now.

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

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

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

## THE GIANT LEAP - 2006 to 2010

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

### Reorganisation of Business

Having stabilised the business in the healthcare documentation (medical transcription) over a period of 8 years, Accentia management decided to venture into

integrated Healthcare Receivables Cycle Management (HRCM), which was a logical extension of its ongoing business.

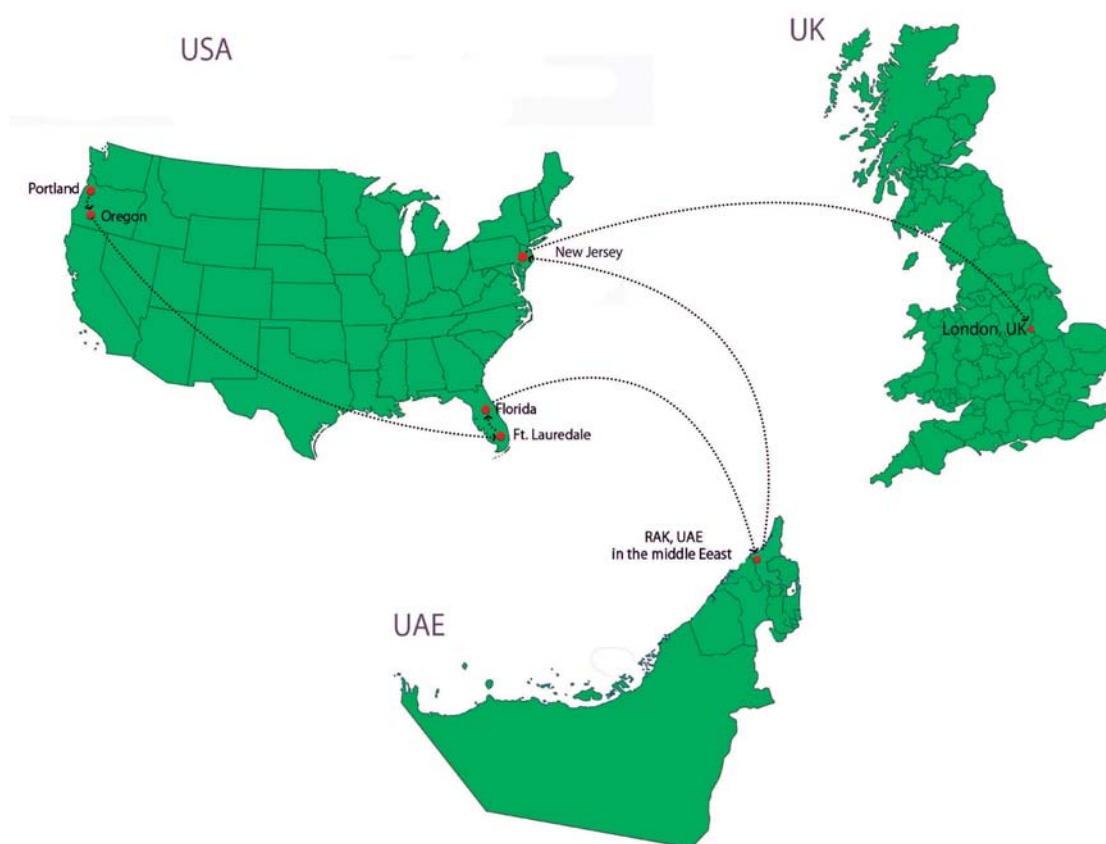
In the US, a vast majority of healthcare services are reimbursed through insurance companies and it is mandatory to document, code and prepare detailed bill to be submitted to insurance companies for reimbursement. Traditionally the above services are offered by separate service organisations.

In the light of the Accentia's past bitter experiences in stabilising MT business from scratch which consumed a huge amount of capital in the first 4 years from inception, the management decided to inorganically acquire the

necessary skills, professional expertise, intangible processes and systems and a set of high calibre professional employees through acquisition of companies in the field of medical coding and medical billing & collections. The management believed that acquisitions on the above lines would lead to Accentia offering end-to-end services in HRCM, which would reduce cost and improve the revenue cycle time and increase the profitability of clients in the US.

### Inorganic growth path

Pradeep was one of the pioneers who believed in the concept of inorganic growth in Business Process Outsourcing in the healthcare segment. He believed that it is the fastest and easiest way to expand the business to a global scale.



The first step towards consolidation and increasing the size through inorganic growth was taken with the acquisition of companies in the US namely GSR Physicians Billing Services Inc., GSR Systems Inc and Denmed Inc. In order to augment the capacities in the Indian back end delivery side, Accentia zeroed in on a few stabilised and established healthcare BPO outfits like Asscent Infoserve Pvt Ltd. and Thunga Software Limited in India. Both these companies were healthcare documentation outsourcing service providers. With these acquisitions the workforce

and infrastructure grew multi-fold. This inorganic growth, accompanied by much higher organic traction after the creation of a US based localised front-end, has helped Accentia increase revenues significantly between FY 2007 and FY 2011.

In the year 2008, as part of inorganic growth, Accentia Technologies Ltd acquired the US based Oak Technologies Inc, which had Indian back-end operations at three locations in Hyderabad and one in Bhubaneswar.

## THE NEW HEALTHCARE POLICY IN THE US AND ITS IMPACT – 2010 till date

### The emergence of EMR

The current incumbent President of the USA has taken keen interest in bringing about a radical change in the healthcare system and as a result, the US Senate passed a historic Healthcare Bill in 2010 that is set to eliminate gross inefficiencies in the system which was leading to wastage of billions of dollars.

The new law has paved way for a rethinking in the way documentation and healthcare receivables cycle management has been conducted. One of the major mandatory requirements as per the new Obama Healthcare Bill is the usage of an Electronic Medical Records (EMR) suite to capture and record patients' demographical, clinical and all other related data into a database, which can be accessed anytime for future reference and analysis.

In order to motivate all the physicians and healthcare

organisations in the US to adopt the new EMR based clinical management, Obama administration has offered an incentive scheme. Monetary incentives of up to US\$ 44,000 is payable to all physicians who adopt any EMR software which is certified by the ONC-ATCB (Office of the National Coordinator – Authorised Testing and Certification Body). This certification does not represent an endorsement of the US Department of Health and Human Services nor guarantee the receipt of incentive payments. Use of ONC-ATCB certified EMR software is a required first step in qualifying eligible healthcare providers for incentive funding under the American Recovery and Reinvestment Act (ARRA). The US government has set apart more than US\$ 80 billion specifically for this mission. However the physicians have to prove meaningful use of EMR technology in their clinical practice to claim the incentive amount.

| Year in which first meaningful use of EMR is demonstrated | Yearly distribution of incentives to Providers (\$) |      |      |      |      |      |       |
|-----------------------------------------------------------|-----------------------------------------------------|------|------|------|------|------|-------|
|                                                           | 2011                                                | 2012 | 2013 | 2014 | 2015 | 2016 | Total |
| 2011                                                      | 18K                                                 | 12K  | 8K   | 4K   | 2K   | 0    | 44K   |
| 2012                                                      | 0                                                   | 18K  | 12K  | 8K   | 4K   | 2K   | 44K   |
| 2013                                                      | 0                                                   | 0    | 15K  | 12K  | 8K   | 4K   | 39K   |
| 2014                                                      | 0                                                   | 0    | 0    | 12K  | 8K   | 4K   | 24K   |

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

### Remodelling of Business Plan

The adoption of EMR based clinical practice has opened up avenues for an integrated end-to-end SaaS model (Software as a Service) of service delivery. Since August 2010, Accentia's product development team along with their functional experts and development partners have been involved in the mission of designing and developing a world class, fully integrated, multi disciplined, cloud based hosted application which integrates all services from electronic medical records(EMR)-practice management system(PMS)-code mapping/scrubbing-medical billing & receivables management system(RCM)-electronic data interchange

(EDI) with insurance companies(payer). The above seamlessly integrated SaaS system functions as a one-stop shop for a clinical provider that manages all their healthcare documentation needs, receivables management needs, performance tracking and reporting and would eliminate the need to keep networking and technology personnel at their end to manage the software system, since it is served by a hosted server.



# Accentia's SaaS Platform

## Customized Notes

After your patient visit, you can make new records based on diagnosis and log them in by keying in data or even dictating. InstaKare allows you to follow your own method of maintaining records. These templates are customized to your existing report structure. You don't need to change your ways. Discrete Reportable Transcription (DRT) which allows you to dictate areas of your report you want to dictate and leave the remaining to the EMR or their templates. With DRT, you can dictate information that is not captured on the EMR.

## Information Gateway

Now the InstaKare EMR really transforms your medical record management system. No more searching through files and notes that are properly saved, but still difficult to locate. Even your note-taking software can become a nightmare if you don't know what you are looking for. You can access all patient information, history, and medical complaints. These records are available at your fingertips and you can search and review images, scans, reports, and more.

## Insurance Verification

InstaKare PMS provides you with inbuilt insurance verification that is linked to several insurance company portals. What more, trained Accentia staff will cross check the auto verification and will even conduct it for you manually if required. This will happen in real time and results will be delivered in a few minutes.

## Intuitive Scheduling

PMS comes with a nifty Appointment Scheduler that can link all the doctors to a particular case. It is intuitive and flexible and reduces multiple entries and corrections. It brings the smarts to scheduling and updates your roster intelligently.

## Anywhere Accessibility

In the Practice Management System (PMS), you will be able to organize and monitor every aspect of your dynamic office environment. You will also find the Patient Management Portal, which allows your patients to easily use their mobile or computer to book appointments and make requests with your office. PMS allows them to reach you at their comfort over web, chat or telephone.



**START HERE**

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Meaning  
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EH

**insta**

360° Healthcare Solution



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ions from Accentia



## ePrescription, Documentation Management, and Lab Orders

The rules are strict, but we've got it all covered. The EMR maintains all aspects of meaningful use and government standards. This includes maintaining patient records, test reports, lab orders, and e-prescription.

## Coding

We help you to get the most out of the codes. Integrated EMR and PMS ensures that coding and billing are managed with just a click. Your diagnosis is fed into the coding module which automatically generates procedure and diagnosis code. These codes can be changed, added or deleted as per your requirement. Certified coders will review the notes and codes and ensure that all the reimbursement procedures are followed as per required insurance reimbursement standards.

## Billing

We prevent countless downstream problems with the in-built Eligibility check option. Also, our skilled staff will do the medical billing for you to get your payment ontime. Our cost effective solutions help you in reducing your cost by 20% to 30%

## Bill Payment Management

Claims Processing is done after verification of the billing including procedure codes and claim validation. This ensures physicians get maximum reimbursement. The experts at Accentia manage all their billing, appealing, refilling, and documentation. We want physicians to get their dues and we'll do the chasing for physicians. We manage electronic and paper claims and have a tracking system for monitoring & tracking progress of payments.

## Account Receivables Management

We have seen practices ruined because of the lack of understanding and follow up on rejections and denials. At Accentia, we work those payments coming in. The Account Receivables & Collections team at Accentia follows up on all rejected or denied payments. The team gets in touch with patients, insurance companies, and attorneys on your behalf. Our process oriented services ensure that you get maximum returns.

## Adhoc Reporting

Want to know how your practice is faring? We help you see the big picture and the little details-with our dynamic adhoc reports. Our Dashboard reports, reminder details and billing information help you review the performance anytime, anywhere.

## Meaningful Use

It's not enough to have an EMR solution, it's important to use it meaningfully. Our Practice Management Consultants advise you on Meaningful Use of the InstaKare service and provide reports and analysis to ensure you receive the incentives of Eligible Providers as stipulated by the government.

## SaaS BENEFITS - AN OVERVIEW

Meaningful advice on Meaningful Use to ensure physicians get the \$44000 benefit.

Accentia comes with three decades of Service Heritage in the Healthcare Sector.

InstaKare isn't just a product, it's a service to help physicians get the most out of their practice.

With our Superior DRT, physicians don't change their ways, we adapt to theirs

EMR plus intuitive Patient Management System maximises physician's Patient-Clinic Experience.

Three Sixty Degrees Solution, the Holistic approach to managing physician's Practice.

## 360 DEGREE END-TO-END SERVICE DELIVERY THROUGH CLOUD

No installation required! No technology  
migraines! Sign up and reap the benefits.

Any Time Any Where Access to  
InstaKare, from physician's office,  
home or even physician's car.

We follow physician's claims, we chase what's  
due to physician, so physicians can focus on  
their practice.

Flexible and Customized Coding with a  
human touch to maximise physician's earnings.

Auto and Manual Insurance Verification  
with intuitive technology and  
human experience.

See the forest through the trees  
with Adhoc Reporting, visual data on all  
aspects of physician's practice.

## Why SAAS / EMR is a game-changer for Accentia

**Unique Competitive Positioning:** Currently most EMR companies in the US provide only the software, without the back-end BPO services of inputting into the EMR chart. Further, there are very few HRCM companies that straddle MT – Coding – Billing – Receivable Mgmt (most specialize in one of these services). Accentia is thus uniquely positioned to provide an integrated end-to-end SAAS service offering.



**Ability to grow organically:** Before the requirement of physicians moving to EMR, there was significant inertia for physicians to change their existing HRCM service providers. Due to the incentives – penalties associated with EMR's, all physicians are now being forced to look at new alternatives with an EMR offering. Given Accentia's unique positioning in this offering, they are very well placed to win a reasonable share of this business.



**Significantly increased opportunity size:** As compared to the current model, wherein most clients use one of Accentia's services --- Accentia would be offering the entire end-to-end service to doctors



and charging a fixed % of revenues. The revenue per doctor will be significantly more than that of the same doctor using only MT, with similar / higher levels of profitability.

**Strategic Partner model:** Given the large shift towards EMR which is expected to take place in the US, there are a number of players in the HRCM landscape, who are looking at tie-ups to be able to provide an EMR solution to their clients (especially EMR service delivery). There are a number of small / mid / large players that Accentia is in discussions with for a partnership model. This significantly reduces the requirement of Accentia having to make significant upfront investments on the sales & marketing side.

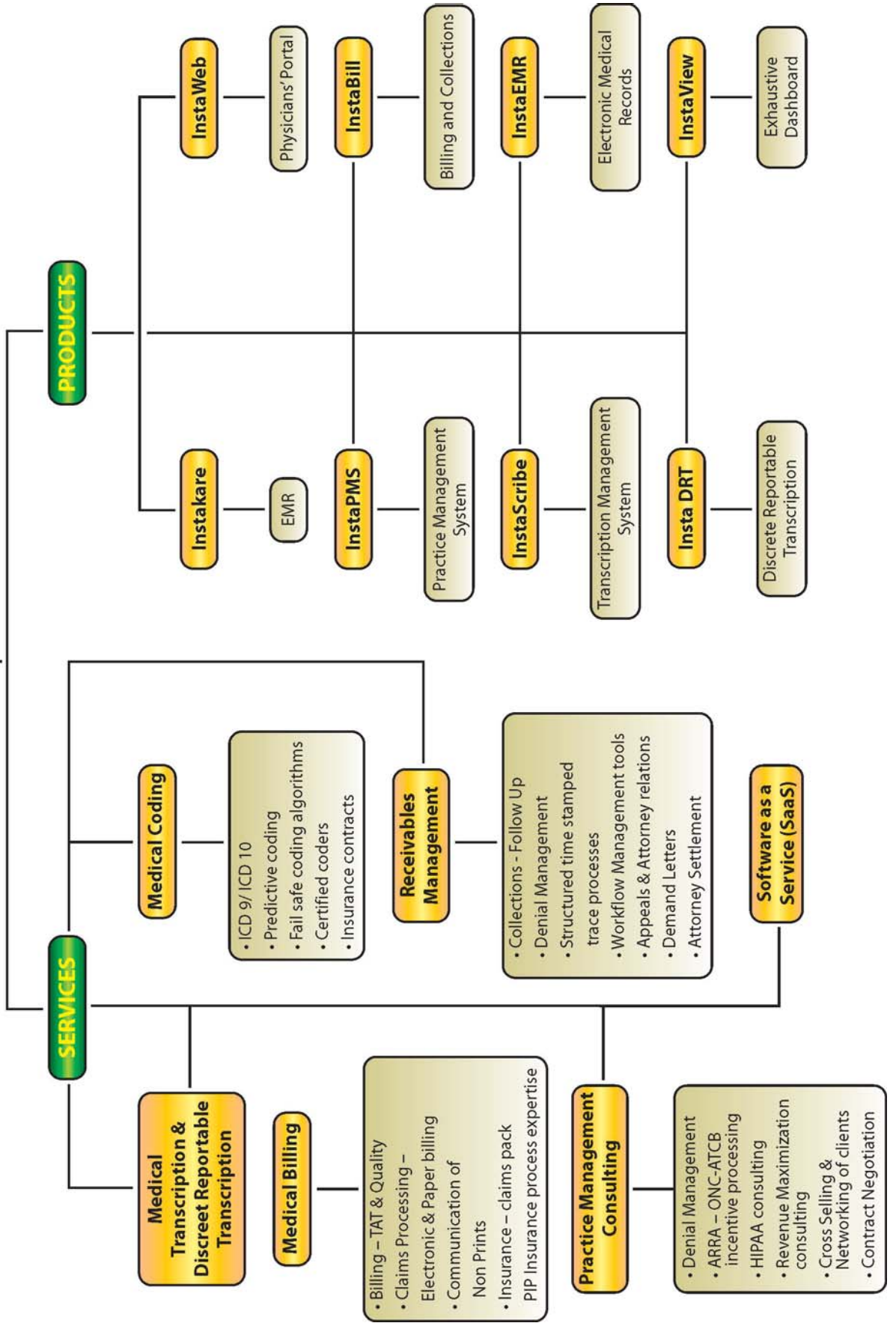


**Simplicity:** Unlike other EMR software's, InstaKare is a product that finally provides innovation, advancement and user-friendliness in the generic world of healthcare management. The software is developed in such a way that it is not at all complicated and is very simple to use to keeping non-tech savvy people in our mind. Our EMR software requires only less training to get used to its various features. InstaKare integrates with each and every existing practice systems. Because its functionality is so intuitive, physicians and their practices can be made more effective.



# CORE SERVICES OFFERED BY ACCENTIA

## ACCENTIA



## SERVICES:

- **Medical Transcription**
- **Discrete Reportable Transcription**
- **Medical Coding**
  - ICD 9/ ICD 10
  - Predictive coding
  - Fail safe coding algorithms
  - Certified coders
  - Insurance contracts
- **Billing**
  - Billing – TAT & Quality
  - Claims Processing – Electronic & Paper billing
  - Communication of Non Prints
  - Insurance –claims pack
  - PIP Insurance process expertise
- **Receivables Management**
  - Collections - Follow Up
  - Denial Management
  - Structured time stamped trace processes
  - Workflow Management tools
  - Appeals & Attorney relations
  - Demand Letters
  - Attorney Settlement
- **Practice Management Consulting**



- Denial Management
- ARRA – ONC-ATCB incentive processing
- HIPAA consulting
- Revenue Maximization consulting
- Cross Selling & Networking of clients
- Contract Negotiation

## • Software as a Service (SaaS)

### Up and Running in ho upfront cost

As a leading solutions provider for US clinical documentation and revenue cycle management (RCM)



with over 30 years of track record, we understand the significance of providing comprehensive IT solutions that extends beyond the realms of simply developing a software product.

Great minds conceive great ideas. Years of dedicated and focused team work by a group of functional and technology experts has resulted in our SaaS suite that seamlessly integrates all services including Electronic Medical Record (EMR), Practice Management System (PMS), Code Mapping/Scrubbing application, Medical Billing & Receivables Management System (RCM), Electronic Data Interchange (EDI) Comprehensive Charts/MIS and Consulting tools for meaningful Use compliance. The advanced SaaS suite functions as a one-stop shop and saves considerable sum every month for your practice.

## • **instaKare -The EMR Solution**

instaKare is a web-based, ONC-ATCB Certified, Complete EMR product that makes your practice truly mobile. The feature-rich product is compatible with most of the known OS in the industry like Microsoft, Android, IOS etc. and you can access the application on the go from your laptop/SmartPhone/Tablet OR iPad.

## • **instaPMS - Practice Management System**

InstaPMS is a web-based enterprise wide Practice Management Solution designed to meet the broadest possible range of modern Practice Management needs including Administrative and Fiscal management needs. Our PMS provides integrated access across Patient Demographics, Scheduling, Electronic Medical Billing, Administrative/Financial Reporting, Workflow management, connecting Front and Back Office operations, improving productivity and revenue while decreasing costs with the inclusion of Advanced State-of-the-art Calendar/Scheduler and Comprehensive Dashboard, your practice becomes all too easy.

• **InstaRCM – The integrated Billing Solutions**

InstaRCM is an integrated billing module that comes with our SaaS suite. Accentia adds value by providing high quality service through our HIPAA compliant billing and coding application, that is highly effective in maintaining absolute accuracy in all transactions. We ensure that you receive optimal reimbursement for services rendered. Our solutions are tailor-made to meet your demands.

• **InstaDRT - Discrete Reportable Transcription**

InstaDRT has been integrated with the InstaKare so that you can dictate notes into the EMR for dictation purposes as you have been practicing before. The dictated voice files are converted to Transcripts and then to discrete data elements, thereby becoming a part in the relevant areas of the EMR using the latest technology. You will receive all the benefits of adopting a certified EMR.

You can use DRT in any depending on requirement:

- Through a Dictaphone
- As an independent application
- Integrated with iPad or PC
- Dictate through your cell phone or telephone.



• **InstaWeb - Customized Web Portal for Physicians**

An apt website would act as a catalyst to boost your Practice. A wider and larger audience can be accessed through a well designed and resourceful website. The website can be utilized to showcase your profile, service, specialty, and complete office and contact information.

• **InstaScribe - Integrated Speech Recognition Enabled Transcription Platform**

InstaScribe is an end-to-end HIPAA compliant Transcription work flow automation application that runs on the web and accessible from

anywhere Services through SaaS suite As one of the leading healthcare services firm, we know that value and trust are two pillars of a quality relationship. Our Services are managed and maintained by experts who have been in, and have been considered the mainstay in this industry for decades. Our team understands that every client is different so as their individual needs. That is why our primary function is to understand and analyze your business needs and then provide customized solutions. Accentia’s dedicated back office team works 24 X 7 to provide domain specific services and support through all the products outlined above.

**PRODUCTS:**

• **InstaKare - EMR Software – The Quickest, Complete, and Complaint EMR on the go....**

InstaKare is a web-based Drummond Certified Complete EHR (Ambulatory) software developed by Accentia. Apart from its highest usability, user satisfaction levels, intensive clinical contents and state-of-the-art workflow features, Instakare offers following unique features that add tremendous value to healthcare providers.

**Template-Free SOAP Note Layout:**

InstaKare has a blend of structured and narrative information for creating SOAP notes, which can be done very quickly using the Point-and-Click function. This entirely new and unique SOAP Note layout helps physicians in completing their notes within seconds. Physicians can click

and review the completed report and make changes whenever required. Another highlight of our SOAP Layout is that the note will have elaborated information just as physicians would receive from a seasoned Transcriptionist.



## Stimulus Package Assistance

### Meaningful Use:

InstaKare is an ONC-ATCB Certified Complete EHR product that makes physicians eligible for thousands of dollars in federal stimulus incentives. Our inbuilt tool monitors physician's movement inside the application and prompts them at every step. The complete and simple-to-use graphical and pictorial representations in instaKare helps healthcare providers understand where they stand in meeting the Meaningful use criteria.

### Physicians Quality Reporting System (PQRS):

instaKare assists physicians in identifying and reporting the features needed to make them eligible for the Quality Reporting Incentives through PQRS.

### E&M Coding Assistance

InstaKare's inbuilt E&M Assist monitors the data input during the entire course of the patient encounter and calculates the accurate E&M levels based on either 1995 or 1997 coding guidelines.

### Computerized Provider Order Entry (CPOE)

InstaKare's CPOE functionality helps in eliminating most of the potential errors attributed while using the conventional system. CPOE enables physicians to prescribe and submit clear-cut accurate orders with just a few clicks.

### E-Prescription

With the e-prescription feature, physicians can write prescriptions with greater speed, accuracy and safety. Our certified e-prescription allows physicians to write and send complete, accurate prescriptions which checks automatically for drug allergies, drug-drug interactions, and formulary compliance. This helps to ensure patient safety while writing a prescription.

## Auxiliary Data Management

InstaKare's inbuilt Auxiliary Data Management module provides the provision to add, archive, and retrieve imaging data of patients like X-rays, MRIs, Scans, Ultrasound images etc. under the patient's record. This feature enables physicians to build and access an accurately documented patient history with easily verifiable data. The web based application is highly flexible, as it can be accessed from a PC/Laptop, Tablets, i-Pad, and smart phones from anywhere with an internet access. Physicians can access all their practice related information on the go with unparalleled ease.

### Capabilities

- SOAP notes
- Manage patient check-in and check-out with a few clicks, at a glance
- Full financial reporting at the group level, by individual practice, or by physician
- E-consultation
- Integrated Document Management
- Hospital Queue

### Conveniences

- Access to radiological images on your iPhone or iPad
- Audio notes of patient medial history
- Freehand electronic notes
- Surgery scheduler, appointment calendar, report viewer

### Utilities

- Drug interaction checker
- Prescription writer
- E&M coding guidelines
- Health education module

### Technical Aspects

- All data can be encrypted
- Data backups happen each day with offsite storage
- Robust, "role-based" security





## **. instaPMS – Efficient and Easy Control for a physician’s practice**

If a physician is looking for a powerful and versatile, yet easy-to-use Practice Management System, they can rely on instaPMS to optimize all of their clinical and financial functions and obligations.



### **instaPMS –The highlights**

#### **Advanced Scheduler: Improve efficiency of physician’s practice**

With the state-of-the-art Appointment Scheduler, physicians can view personalized calendars for each of their locations. Also, it allows physicians to print, email or fax their schedules as per the requirement. This allows physicians to bring efficiency in both Front and Back office staff alike ensuring smooth practice management with increased revenue.

With InstaPMS, healthcare providers get the flexibility and control they need. Using the multi-functional calendar, they can search for appointments using date, name, or phone number.

#### **Dashtboard Summary at a single glance**

InstaPMS comes with a comprehensive dashboard which gives physicians a single monitoring point. Healthcare providers get the holistic view of their Practice - from patientstatus till financial statements- on a single view. It is interactive, meaning they can access detailed information about every parameter with a click or a touch.

#### **Patient Portal**

##### **Interaction with patients made easy**

InstaPMS has an integrated Patient Portal that allows physician’s patients to interact and communicate with them easy and quickly. InstaPMS Patient Portal benefits both patients and physicians to save time and minimize errors.

#### **Customized Physician Web Portal – instaWeb A new approach to healthcare provider’s practice**

A stylish and informative web portal can act as a very effective marketing tool for healthcare provider’s practice. A wider and larger audience can be accessed through an effective website. The website can be utilized to showcase their profile, specialty, and complete office and contact information. Healthcare providers can also establish a social network and create relationships through communities.

#### **Automated Notification System**

##### **Communicate efficiently**

The notification system in InstaPMS automatically informs healthcare provider’s patients of their upcoming appointments through text message and email. It prompts them to call physician’s office to verify or re-schedule the appointments. This means fewer no-shows or missed appointments.

#### **Patient Records**

##### **Organized information with precision**

The patient data retrieval system has a tabbed screen which makes it easy to view a physician’s patient records including demographics, financial history, activity history, previous records and much more. It also provides an option to quickly add or edit information available.



### **Real time Transaction Check Keep physician's vital process simple**

Insurance eligibility is the first step to a clean claim. The in-built InstaPMS insurance eligibility check feature does the verification process at the time of patient registration or appointment scheduling. This increases collections and revenue for physicians by alerting them about non-covered situations from patients with invalid or insufficient insurance benefits.

### **Document Management Better control and access of physician's practice**

InstaPMS organizes patient records effectively and efficiently to ensure complete control and access of physician's practice. If they need to, they can attach scanned documents directly into patient claims and/or payments. These records can be easily retrieved when they need them.



### **User Management Ensure control and security**

Our user management and security control meet the required healthcare industry standards. The system allows physicians to set the rights for the users, monitor login periods with sufficient flexibility to control the security levels

### **Reports**

#### **Easy access of information**

Reports from the PMS help physicians automate revenue cycle monitoring and analysis thus eliminating manual manipulation of spreadsheet data. Our reporting service continuously monitors physician's practice and notifies them about updates at periodic intervals. The reports thus generated can be instantly converted to PDF, Word, Excel or web page formats. Easy to read colorful graphs and pictorial representations help them understand and interpret reports with ease.

InstaPMS reporting service gives a complete and comprehensive view of their business.

#### **• InstaEMR - Electronic Medical Records**

- 100% paperless
- Medical History - allergies & past issues
- Data input - Vitals & Tests
- Linked to Self Assessment
- Comprehensive - Multiple data structures
- Medical records have multiple input options
- Templates - Standard & customized
- Customized Notes with sentence builder
- Q& A builder formatting
- Dictation - DRT
- Integrated functions:
  - Printing and Scanning
  - Labs order
  - E prescription
  - Tests & Scans



• **instaRCM - Profit maximizer solutions for healthcare providers**

Revenue Cycle Management and Consulting through instaRCM

Utilizing over 30 years of experience, our thorough, repeatable and time-tested methods ensure maximum reimbursement for our clients. Accentia's highly experienced staff of certified Coding, Billing and Collection personnel are guided by an executive team rich in healthcare experience. Further complimented by a courteous and professional support team available 24/7.

Accentia adds value by providing high quality service through our HIPAA compliant billing and coding application that is highly effective in maintaining absolute accuracy in all transactions. Accentia ensures that each provider, and their entire practice, is receiving optimal reimbursement for services rendered.

Our solutions are tailor-made to meet the demands of our providers.

**How Accentia improves physician's Revenue Cycle?**

- Turnaround time with a 24-48 hour processing guarantee.
- Accurate Billing & Coding resulting in higher profitability.
- Accounts receivable cycle through the use of qualitative techniques.
- Streamlined claim preparation process.
- Quick denial tracking and efficient appeal and dispute resolution

Accentia guarantees to reduce physician's costs while increasing their revenue. Our competitive rates have no hidden costs or additional fees.

**Healthcare Providers don't pay extra for:**

- Up-to-date software
- Highly-trained Staff
- Clearing houses
- Printing & mailing



Exceeding world class standards and satisfying the needs of the most demanding customers, Accentia's business is in-built on a foundation that is supported by Commitment and Quality.

**Our comprehensive Coding service Includes:**

- AAPC & CPC certified coders working around the clock
- Basic & Advanced CPT coding
- Evaluation and Management documentation
- Chart auditing
- Coding compliance
- Web-based workflow and performance
- Monitoring systems
- Denial investigations and follow-ups, secondary and tertiary filings
- Comprehensive Reports

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- Chart auditing
- Coding compliance
- Web-based workflow and performance
- Monitoring systems
- Denial investigations and follow-ups, secondary and tertiary filings
- Comprehensive Reports

**Accentia's Billing service includes:**

- Detailed Bill Analysis
- Attorney-based follow-ups, HMO coordination & Patient Billing
- Comprehensive bill tracking and follow-ups
- AR follow-up: With focus on legacy and low-value accounts
- Excess, pending or back-logged billing support
- Accounts reconciliation and denial management
- Customized multiple-view reports
- Advise physicians of fee structure changes, new coding practices, and ways to improve the Office's revenue.

## How Physicians Gain with instaRCM?

### **Claim Review, Tracking, and Control Automatically Validate Information**

The "claim scrubbing engine" built into instaRCM helps validate the information sent out to insurance companies, ensuring it is complete and correct thereby substantially bring down denials and rejections, and provides timely reimbursement and increased revenues. It is easy to use, fast, and completely secure.

### **Credit Card Payment Portal Improve workflow, increase revenue**

The fully integrated credit card solution helps physicians to input data directly into the program and apply it to the patient's visit with a single swipe of the credit card. Physicians can also save time and money by directly depositing their checks to physician's bank accounts through our direct deposit feature integrated with the credit-card module.

### **Electronic Remittance Advice Improve Productivity and workflow**

instaRCM's ERA integrated solution helps in getting the payment information updated accurately into physician's patient visits. This eliminates manual posting errors, reduces the need for paper, and speeds up the payment-to-posting cycle.

## Reports

### **Easy access of information**

The comprehensive reports from instaRCM help physicians to automate revenue cycle monitoring and analysis thus eliminating manual manipulation of spreadsheet data

### **Automated Patient Statements Streamline workflow, improve CRM**

Timely and accurate billing statements are vital to the financial health of physician's practice. With instaRCM, physicians staff can set up rules to automatically generate and send patient statements by email or regular mail.

## Batch Printing and EOB Posting

### **Save time and effort**

instaRCM's batch printing feature lets physicians print all their claims as a single batch, with one click. Physicians can also print patient statements and super bills at their convenience. With the automatic batch EOB posting feature, physicians can post all payments with a single click, so insurance remittance processing is faster.

### **. instaDRT - Unique solution that Redefines physician's EMR Experience**

In simple words, Discrete Reportable Transcription (DRT) is the shortcut to data entry on EMR. With the deadlines for the adoption of EMR are approaching rapidly, physicians are in lookout for methods of complying with the mandate with minimum disruption to their current style of practice. Physicians do have an inclination towards the Dictation-Transcription method for documentation of patient care process as it is the best convenient method for them.

However, the reports created by the Medical Transcription process do not comply completely with the set Meaningful Use and PQRS criteria. DRT has been introduced to bridge this gap. DRT converts Transcription into discrete data elements and they become part in the relevant areas of the EMR using the latest technology thus making the physician eligible for gaining all the benefits of adopting a Certified EMR.

### **Why Does instaKare come with instaDRT?**

According to a research conducted by a top leading journal, the complete, overall EMR adaptation rate is just 40%. The reasons are various, but the two major points are:

Physicians don't prefer compromising their time on data entry at the time of consultation or treatment; their reference remains dedicating the majority of their time focused on the patient.



Tendency to enter wrong data or information as physicians must multi-task within their already hectic and busy schedules.

With these factors in mind, we have come up with a complete EMR solution with integrated DRT where healthcare providers can continue their way of practice while enjoying the benefits of a Certified EMR. With our DRT service, physicians will comply with the Meaningful Use criteria and can generate a comprehensive medical report with fully structured clinical data.

With our DRT, physicians can maintain their focus on the care of their patients and their patients' well-being is never compromised. Healthcare Providers can use DRT in any of the following ways, depending on their requirement.

**With InstaKare's DRT physicians Get:**

- Highest levels of accuracy and transcription efficiency.
- Better turnaround time. Our transcription experts can send back physicians' reports within 4 to 12 hours. With their approval, the report can be sent for Billing the next day.
- Effective cost reduction in transcription, and physicians save on training time and cost. Going by the statistics, physicians can save thousands of dollars annually just for the time they save by adopting DRT!
- 100% EMR adaptation.
- Proper E&M Coding
- Incentives for meeting Meaningful Use and PQRS criteria.

**What else can InstaKare EMR do for physicians?**

With InstaKare, physicians get all the advanced features they will want in an EMR solution.

**Web-based Model**

InstaKare is a web-based EHR, so physicians can access it from anywhere, at any time. InstaKare is also available for iPad as a stored application, so physicians can access their practice while travelling or at home. This means complete, convenient control of their practice.

**Point-and-click completion**

With the point-and-click function in InstaKare, physicians can complete their notes very quickly. Just select a template and start filling in the details! Here's what physicians get:

- Advanced Chart templates with inclusion of level-4 templates.
- Evaluation and Management (E&M) Coding.
- Meaningful Use Assistance
- PQRS Assistance
- Automatic alerts for incorrect entries
- Specialty specific Complaints, HPI, ROS, and PE
- Intuitive Computerized Provider Order Entry (CPOE)
- Patient Handouts
- Health Maintenance Alerts
- Drug and Allergy interaction checks
- E-Prescription
- One-click refills
- Lab Orders with HL7 interface
- Decision Support
- Document/Image Management including x-rays, MRIs, and more
- Audit trail
- Order Management
- Prebuilt form templates for almost all scenarios
- Patient summary screen with past encounters, medications, surgeries, etc
- Growth charts



### • **InstaWeb - Physicians' Portal**

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



### • **InstaBill - Billing and Collections**

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

### • **InstaScribe – Integrated speech recognition enabled Transcription platform**

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

### • **InstaView - Exhaustive Dashboard/reports**

- State-of-the-art dashboard and Reports
- List of reports
- Business Management
- Customized reports-templates
- Ad hoc reports
- Reports Triggers for management
- Report channels- Emails, tablet, mobile

ACCENTIA LAUNCHING THE FEDERAL CERTIFIED ELECTRONIC MEDICAL RECORD, INSTAKARE VERSION 1.00, AT THE NATIONAL CHIROPRACTIC ASSOCIATION CONVENTION 2011 AT ORLANDO, FLORIDA



Mr. Joel, Accentia marketing staff member, explaining about various features of instaKare to one of the guests to the booth.



Accentia marketing models in their theme blue costume



Group of physicians gathered to know more about the software at the Accentia booth



Accentia instaKare team in the booth



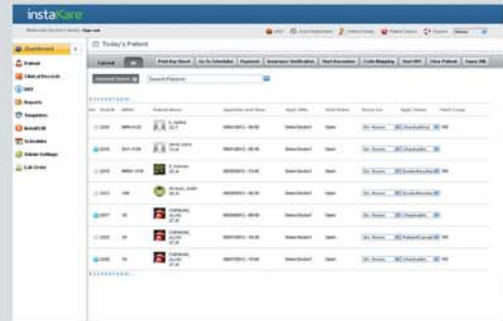
Display of CD which contains brochures, manuals and other marketing materials



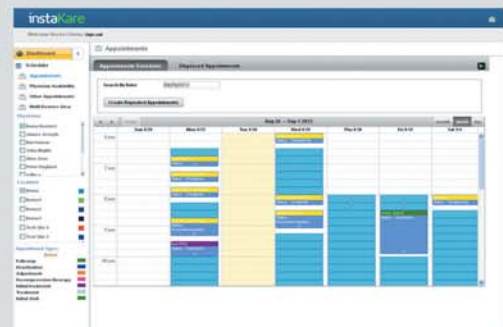
The free iPad on display

HIGHLIGHTS OF INSTAKARE VERSION 1.00

- Federal Certified complete Electronic Medical Record
- Web-based cloud solution with anywhere anytime accessibility
- Template-free SOAP Note layout



- Stimulus package assistance for Meaningful Use and PQRS
- E&M Coding Assistance
- E-Prescription and one-click refills



SOFTWARE AS A SERVICE (SAAS) LAUNCH AT THE NAPLES CONVENTION 2011 BY ACCENTIA



Mr. Jereen Mathew, Vice President, at the launch of SaaS offer from Accentia.



Display of Accentia SaaS offer in front of the booth



Accentia staff taking a look at the software.



Mr. Robert, Sales Manager, in front of Accentia booth with marketing materials.



Graphical presentation about Software as a Service from Accentia



Freebie during the convention from Accentia

HIGHLIGHTS OF SAAS FROM ACCENTIA

- Web-based solution for EMR, Revenue Cycle Management and Practice Management
- Fully functional software without the burden of deploying and managing the software.
- Up and running without any up-front costs.



- No additional hardware requirements.
- No additional staffing requirements.
- Greater agility to scale software to meet changing business requirements.





## ACCENTIA'S INSTAKARE IPAD VERSION RELEASE AT FCA BOCA CONVENTION 2011



Dr. Tanya Hlinka receiving her free iPad when she signed up for SaaS solutions from Accentia



Dr. Hlinka's assistant holding their free iPad



Dr. Art Levine, a public figure among American chiropractors, with the released ChiroPad



A look at instaKare iPad version's intuitive interface



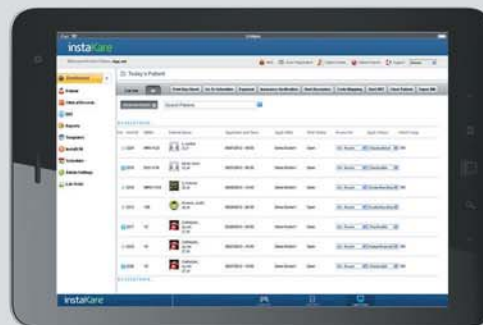
Another view of instaKare iPad Version interface

### HIGHLIGHTS OF INSTAKARE IPAD VERSION

- The most complete EHR on the iPad
- Intuitive easy to use Interface
- Linked to the web-based HER



- Freehand drawings on anatomical diagrams, X-Rays, or any other file
- Delivers powerful functionality for clinical workflows
- Easy to securely update, manage, and search health records from a mobile device



**LAUNCH OF INSTAKARE DRT (DISCRETE REPORTABLE TRANSCRIPTION) AT AHIMA CONVENTION & EXHIBIT 2011**



Accentia booth with display of marketing materials



Busy Accentians explaining about DRT to the prospective customers



Another physician enquiring about the DRT



Accentia marketing models with the marketing materials



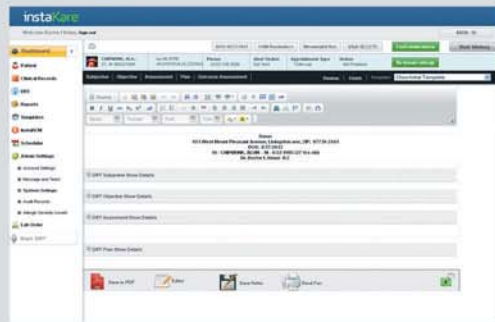
Physicians rushing to Accentia booth to know more about DRT through instaKare



Accentia Team in front of their booth

**HIGHLIGHTS OF INSTAKARE DRT**

- Increased focus on core healthcare areas for physicians
- Lower personnel costs
- Increase productivity and efficiency



- Quick & High-quality service for physicians at minimal costs
- Free up management time
- HIPAA-compliant and provides 24/7 customer service.



**RELEASE AND LAUNCH OF ACCENTIA'S INSTAKARE VERSION 2.00 WITH UPDATES AND NEW FEATURES AT JACKSONVILLE CONVENTION 2012**



Accentia booth during the convention



Web-version of InstaKare EMR displayed in the touch screen monitor



A view of Accentia booth at Jacksonville convention center



Mr. Joel from Accentia experimenting with the InstaKare iPad



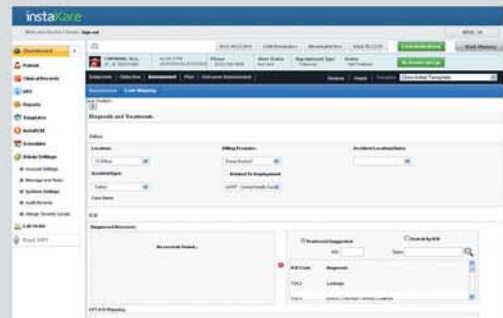
Freebies for physicians from Accentia



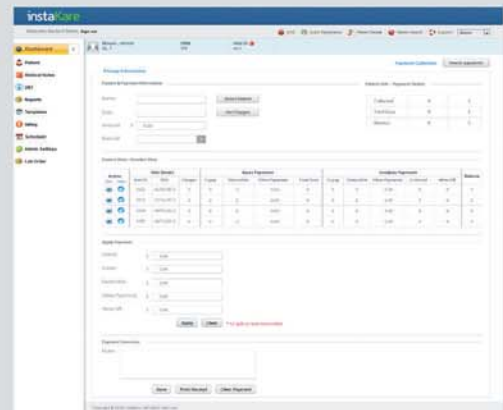
Accentia team getting prepared for the convention

**HIGHLIGHTS OF INSTAKARE VERSION 2.00**

- New SOAP/Encounter Module - Ability to create custom templates, accommodate multiple specialities
- MD Code Wizard - This is a tool to verify the ICD/CPT codes
- Patient Portal - Phase I - Register Patients, set appointments, and add complaints



- Contraindications Tab - Note down contraindications for a period.
- Color codes for appointment types - Go to Admin settings, Scheduler Settings, System Setting, and select color.
- Meaningful Dashboard - Phase I



ACCENTIA LAUNCHED INSTAKARE VERSION 3.00 WITH IMPROVED FEATURES AND FUNCTIONALITY AT THE NATIONAL CONVENTION 2012 ORGANIZED BY FLORIDA CHIROPRACTIC ASSOCIATION AT ORLANDO, FLORIDA



The well-designed Accentia booth at the National Chiropractic Convention center



Accentia receives the 'Consistent Vendor of the Year' award in the convention



A look from the Accentia booth



Prospective clients taking a look at the software.



Accentia team in the vendor booth.



Mr. Joel explaining about various features available in the instaKare

HIGHLIGHTS OF INSTAKARE VERSION 3.00

- Last Visit Reminder - Reminder Message for last visit in a set of repeated appointments.
- Medication Reconciliation Option
- Free Form Text to enter additional notes - in SOAP



- Narrative Docs - Create and Manage Narrative Docs
- Case Creation and ICD Display on Code Mapping
- Ability to Delete Appointment Types - Delete created appointment types.



To,

**The Members of  
Accentia Technologies Limited**

We have examined the compliance of conditions of Corporate Governance by Accentia Technologies Limited, for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

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

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

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

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

**CA. Durgesh Kabra**  
Partner  
Membership No. : 44075

Navi Mumbai  
August 27, 2012

# FINANCIAL STATEMENTS

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For the year ended March 31, 2012

**Accentia Technologies Limited**

## AUDITOR'S REPORT

To,

The Members of Accentia Technologies Limited

We have audited the attached balance sheet of ACCENTIA TECHNOLOGIES LIMITED as at 31st March 2012 and also the Profit & Loss Statement and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In Accordance with the provisions of Section 227 of the Companies Act, 1956, we report that:

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to above, we report that:
  - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of these books.

- iii. The Balance Sheet and the Profit and Loss Statement referred to in this report are in agreement with the books of account.
- iv. In our opinion the Balance Sheet and the Profit and Loss Statement referred to in this report comply with mandatory Accounting Standards referred to in sub section 3C of section 211 of the Companies Act, 1956.
- v. On the basis of the information and explanations given to us, and on the basis on the written representations received from the Directors and taken on record, none of the directors of the company is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
  - i) In the case of the Balance sheet, of the state of affairs of the Company as at 31st March 2012.
  - ii) In the case of the Profit & Loss Statement, of the Profit of the Company for the year ended on that date; and
  - iii) In the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

**For DMKH & Co.**

Chartered Accountants  
Firm Reg. No. – 116886W

**CA. Durgesh Kabra**

Partner

Place : Navi Mumbai

Date : August 27, 2012

Membership No. : 044075

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets on the basis of information available.
- (b) As explained to us, all the fixed assets have been physically verified by the management during the year. There is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) In our opinion and according to information and explanation given to us no substantial part of fixed asset has been disposed off by the company during the year and the going concern status of the company is not affected.
- II. This clause is not applicable to the Company.
- III. (a) The Company has granted unsecured loans to four subsidiaries covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and year end balance of such loans were Rs. 1,879.76 lakhs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for the loans mentioned in para (iii) (a) above, are prima facie not prejudicial to the interest of the Company.
- (c) Since the loans mentioned in para (iii) (a) above are without any fixed repayment schedule, the question of examining the regularity of repayment of the Principal amount and interest thereon, does not arise.
- (d) For the same reasons given in para (iii) (c) above, the question of examining the overdue amount and commenting on the reasonableness of the steps taken by the Company for the recovery of such loans does not arise.
- (e) The Company has not taken loans from party covered in the register maintained under Section 301 of the Companies Act, 1956, hence para (f) to (g) of the clause 4 (iii) of the order is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- V. (a) In respect of transactions covered under section 301 of the Companies Act, 1956. In our opinion and according to the information given to us, there are no such transactions made in pursuance of contracts or arrangements that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956, hence para (b) of the clause 4 (v) of the order is not applicable to the company.
- VI. The Company has not accepted any deposits during the year and consequently the provision of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
- VII. In our opinion, the Company has an internal audit system commensurate with its size and nature of business.
- VII. We have been informed that the maintenance of cost records has not been prescribed by the central government under section 209(1) (d) of the Companies Act, 1956.
- IX (a) According to the information and explanation given to us the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, customs duty, excise duty, service tax, cess and other material statutory dues applicable.
- (b) According to the information and explanation given to us no undisputed statutory dues including income tax, sales tax, wealth tax, customs duty,



excise duty, service tax, cess and other material statutory dues applicable were in arrears as at 31.03.2012 for a period of more than six months from the date they became payable.

to us, there are no dues of income tax, sales tax, customs duty, wealth tax, service tax, excise duty and cess which has been deposited on account of any dispute except the below.

(c) According to the information and explanation given X. The Company does not have any accumulated losses at

| Name of the Statute | Nature of the Dues                  | Amount disputed<br>₹ in lakhs | Year to which<br>amount related | Forum where<br>dispute is pending |
|---------------------|-------------------------------------|-------------------------------|---------------------------------|-----------------------------------|
| Service Tax         | Service Tax and<br>Interest thereon | 58.02                         | 2003 to 2007                    | CESTAT, Bangalore                 |

the end of the year. The company has not incurred any cash losses for the year under review and immediately preceding such current year.

- XI. According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to Financial Institution, Banks and debenture holder.
- XII. We are informed that the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and the securities. Accordingly the provisions of the clause 4 (xii) of the order are not applicable to the company.
- XIII. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly the provisions of the clause 4 (xiii) of the order are not applicable to the company.
- XIV. According to the information and explanation given to us the company is not dealing in or trading in shares, securities, debenture and other investments.
- XV. According to the information and explanation given to us the company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI. According to the information and explanation given and based on the documents and records produced, on an overall basis, the term loans have been applied for the purpose for which they were obtained.

XVII. According to the information and explanations provided to us and an overall examination of the balance sheet and the cash flow statement of the Company, in our opinion no funds raised on short term have been used for long term investment.

XVIII. According to the information and explanations provided to us the Company has not made any Preferential allotment of equity shares during the year.

XIX. According to the information and explanations provided to us, during the year the Company has not issued any debentures till date.

XX. According to the information and explanations provided to us, during the year the Company has not raised any money by way of public issues. Accordingly the provisions of the clause 4 (xx) of the order are not applicable to the company.

XXI. Based upon the Audit procedures performed and information and explanation given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For DMKH & Co.**

Chartered Accountants  
Firm Reg. No. – 116886W

**CA. Durgesh Kabra**

Partner

Place : Navi Mumbai  
Date : August 27, 2012

Membership No. : 044075

## BALANCE SHEET AS AT 31ST MARCH 2012

₹ in lakhs

|                                                  | Note    | As at 31st March 2012   | As at 31st March 2011   |
|--------------------------------------------------|---------|-------------------------|-------------------------|
| <b>Equity and Liabilities</b>                    |         |                         |                         |
| <b>Shareholders' Funds</b>                       |         |                         |                         |
| Share Capital                                    | 2.01    | 1,463.10                | 1,463.10                |
| Reserves and Surplus                             | 2.02    | 16,822.48               | 16,043.98               |
| Money received against share warrants            | 2.01(a) | 86.74                   | 774.46                  |
|                                                  |         | <b>18,372.32</b>        | <b>18,281.54</b>        |
| <b>Share Application money pending allotment</b> | 2.01(b) | 1,387.25                | -                       |
|                                                  |         | <b>1,387.25</b>         | -                       |
| <b>Non-Current Liabilities</b>                   |         |                         |                         |
| Long-term Borrowings                             | 2.03    | 528.63                  | 1,050.13                |
| Deferred Tax Liabilities (Net)                   | 2.04    | 313.00                  | 132.60                  |
| Long-term Provisions                             | 2.05    | 22.50                   | 18.50                   |
|                                                  |         | <b>864.13</b>           | <b>1,201.23</b>         |
| <b>Current Liabilities</b>                       |         |                         |                         |
| Short-term Borrowings                            | 2.06    | 3,311.46                | 3,022.93                |
| Trade Payables                                   | 2.07    | 351.39                  | 158.84                  |
| Other Current Liabilities                        | 2.08    | 630.21                  | 525.23                  |
| Short-term Provisions                            | 2.09    | 886.20                  | 899.74                  |
|                                                  |         | <b>5,179.26</b>         | <b>4,606.74</b>         |
| <b>TOTAL</b>                                     |         | <b><u>25,802.96</u></b> | <b><u>24,089.51</u></b> |
| <b>ASSETS</b>                                    |         |                         |                         |
| <b>Non-Current Assets</b>                        |         |                         |                         |
| Fixed Assets                                     |         |                         |                         |
| Tangible Assets                                  | 2.10    | 1,057.79                | 1,386.18                |
| Intangible Assets                                | 2.10    | 3,765.42                | 2,028.92                |
| Capital work in progress                         |         | 0.31                    | -                       |
| Intangible assets under development              |         | 289.17                  | 450.12                  |
| Non-current Investments                          | 2.11    | 11,889.13               | 10,702.64               |
| Long-term Loans and Advances                     | 2.12    | 267.59                  | 220.98                  |
| Other non-current assets                         | 2.13    | -                       | 1,548.64                |
|                                                  |         | <b>17,269.41</b>        | <b>16,337.48</b>        |
| <b>Current Assets</b>                            |         |                         |                         |
| Trade Receivables                                | 2.14    | 4,403.45                | 3,912.23                |
| Cash & Bank Balances                             | 2.15    | 636.07                  | 1,128.76                |
| Short-term Loans and Advances                    | 2.16    | 1,945.11                | 1,471.04                |
| Other Current Assets                             | 2.17    | 1,548.92                | 1,240.00                |
|                                                  |         | <b>8,533.55</b>         | <b>7,752.03</b>         |
| <b>TOTAL</b>                                     |         | <b><u>25,802.96</u></b> | <b><u>24,089.51</u></b> |

Notes forming part of the financial statements

As per our report of even date attached

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

**CA. Durgesh Kabra**

Partner  
Membership No. : 44075

For Accentia Technologies Ltd

**Pradeep Viswambharan**  
Managing Director & C E O

**Sooraj C K**  
Director

**Jayashree C O**  
Company Secretary

Navi Mumbai  
27.08.2012

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

₹ in lakhs

|                                                              | Note | For the Year Ended<br>31st March 2012 | For the Year Ended<br>31st March 2011 |
|--------------------------------------------------------------|------|---------------------------------------|---------------------------------------|
| <b>Income</b>                                                |      |                                       |                                       |
| Sale of Services                                             | 2.18 | 12,629.51                             | 10,690.27                             |
| Other Income                                                 | 2.19 | 44.70                                 | 164.52                                |
| <b>Total Revenue</b>                                         |      | <b>12,674.21</b>                      | <b>10,854.79</b>                      |
| <b>Expenses</b>                                              |      |                                       |                                       |
| Employee Benefits Expense                                    | 2.20 | 7,407.11                              | 5,377.69                              |
| Finance Costs                                                | 2.21 | 384.20                                | 388.33                                |
| Depreciaton and amortization expense                         |      | 799.57                                | 673.80                                |
| Other Expenses                                               | 2.22 | 3,158.80                              | 2,242.42                              |
| <b>Total Expenses</b>                                        |      | <b>11,749.68</b>                      | <b>8,682.24</b>                       |
| <b>Profit before exceptional items and taxes</b>             |      | <b>924.53</b>                         | <b>2,172.55</b>                       |
| <b>Exceptional items</b>                                     |      | -                                     | (17.41)                               |
| <b>Profit before tax</b>                                     |      | <b>924.53</b>                         | <b>2,155.14</b>                       |
| <b>Tax expenses</b>                                          |      |                                       |                                       |
| Current tax                                                  |      | 240.89                                | 420.38                                |
| Excess Tax provision written back                            |      | (275.26)                              | (172.00)                              |
| Deferred tax                                                 |      | 180.40                                | 32.89                                 |
|                                                              |      | 146.03                                | 281.27                                |
| <b>Net Profit for the Year</b>                               |      | <b>778.50</b>                         | <b>1,873.87</b>                       |
| Earning Per Share - Basic & Diluted                          |      | 5.32                                  | 12.81                                 |
| Weighted average number of shares (face value of Rs 10 each) |      | 1,46,30,996                           | 1,46,30,996                           |

Notes forming part of the financial statements

As per our report of even date attached

For Accentia Technologies Ltd

For DMKH & CO.

**Pradeep Viswambharan**

**Sooraj C K**

**Jayashree C O**

Chartered Accountants.

Managing Director & C E O

Director

Company Secretary

Firm Registration No. 116886W

**CA. Durgesh Kabra**

Partner

Navi Mumbai

Membership No. : 44075

27.08.2012

₹ in lakhs

| Particulars                                                                     | As at 31st March<br>2012 | As at 31st March<br>2011 |
|---------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>2.01 SHARE CAPITAL</b>                                                       |                          |                          |
| <b>AUTHORISED</b>                                                               |                          |                          |
| 2,50,00,000 (Previous Year-2,50,00,000) Equity Shares of ₹10/- each             | 2,500.00                 | 2,000.00                 |
|                                                                                 | 2,000.00                 | 2,000.00                 |
| <b>ISSUED, SUBSCRIBED AND PAID-UP</b>                                           |                          |                          |
| 1,46,30,996 (Previous Year-1,46,30,996) Equity Shares of ₹10/- each, fully paid | 1,463.10                 | 1,463.10                 |
|                                                                                 | 1,463.10                 | 1,463.10                 |

**Details of Shareholder holding more than 5% shares:**

| Name of Share holder    | As at 31st March 2012 |           | As at 31st March 2011 |           |
|-------------------------|-----------------------|-----------|-----------------------|-----------|
|                         | No of Shares          | % Holding | No of Shares          | % Holding |
| Pradeep V S             | 2,336,294             | 15.97%    | 2,336,294             | 15.97%    |
| Bergurren AP            | 1,853,080             | 12.67%    | 1,853,080             | 12.67%    |
| Kirit Ramniklal Kanakia | 1,018,328             | 6.96%     | 1,160,179             | 7.93%     |

**Reconciliation of number of shares:**

| Particulars                        | As at 31st<br>March 2012 | As at 31st<br>March 2011 |
|------------------------------------|--------------------------|--------------------------|
| Number of shares as at 01.04.2011  | 1,46,30,996              | 1,46,30,996              |
| Add: Shares issued during the year | -                        | -                        |
| Number of shares as at 31.03.2012  | 1,46,30,996              | 1,46,30,996              |

**Terms/rights attached to equity shares**

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

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

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The Distribution will be in proportion to the number of equity shares held by the shareholders.

**Out of the above the following are for other than cash**

Shares allotted during the last 5 years

| Year    | No of shares | Remarks                                                                                 |
|---------|--------------|-----------------------------------------------------------------------------------------|
| 2010-11 | 11,88,313    | Alloted pursuant to the merger of Ascent Infoserve Pvt Ltd                              |
| 2007-08 | 46,40,713    | Alloted pursuant to the merger of Geosoft Technologies Ltd and Iridium Technologies Ltd |
| 2006-07 | 9,16,667     | shares allotted to the promoters of foreign companies acquired                          |

## NOTES TO FINANCIAL STATEMENTS

### 2.01 SHARE CAPITAL

### Particulars

#### 2.01(a) Monies received against share warrants

The Board of Directors of the Company at their meeting held on 5th June 2012 and as approved at its Extraordinary General Meeting held on 22nd March 2012 have resolved to create, offer, issue and allot up to 5,59,615 warrants, convertible into 5,59,615 equity shares of ₹ 10/- each on a preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of ₹ 63.10/- per equity share of the Company, arrived at in accordance with the SEBI Guidelines in this regard and subsequently these warrants were allotted on 5th June 2012 to the promoters and the 25% application money amounting to ₹ 86.74 Lakhs was received from them. The warrants may be converted into equivalent number of shares on payment of the balance amount at any time on or before 22nd September 2013. In the event the warrants are not converted into shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants.

#### 2.01(b) Share application money pending allotment

As at 31 March 2012, the Company has received an amount of ₹ 1,387.25 Lakhs towards share application money towards 23,93,574 equity shares of the Company at a premium of ₹ 53.10. The share application money was received pursuant to an invitation to offer shares and in terms of such invitation, the Company is required to complete the allotment formalities by 15 days from the date of obtaining approval from the Regulatory Authority. The Company has sufficient authorised capital to cover the allotment of these shares.

₹ in lakhs

| Particulars                                      | As at 31st March<br>2012 | As at 31st March<br>2011 |
|--------------------------------------------------|--------------------------|--------------------------|
| <b>2.02 RESERVES AND SURPLUS</b>                 |                          |                          |
| <b>Capital Redemption Reserve</b>                |                          |                          |
| <b>Capital Subsidy Reserve</b>                   |                          |                          |
| Balance as per last financial statements         | 35.45                    | 35.45                    |
| Add: Transferred from Surplus                    | -                        | -                        |
| <b>Closing Balance</b>                           | <b>35.45</b>             | <b>35.45</b>             |
| <b>Investment Subsidy</b>                        |                          |                          |
| Balance as per last financial statements         | 1.65                     | 1.65                     |
| Add: Transferred from Surplus                    | -                        | -                        |
| <b>Closing Balance</b>                           | <b>1.65</b>              | <b>1.65</b>              |
| <b>Securities Premium Account</b>                |                          |                          |
| Balance as per last financial statements         | 8,534.19                 | 8,534.19                 |
| Add: Transferred from Surplus                    | -                        | -                        |
| <b>Closing Balance</b>                           | <b>8,534.19</b>          | <b>8,534.19</b>          |
| <b>General Reserves</b>                          |                          |                          |
| Balance as per last financial statements         | 460.10                   | 235.10                   |
| Add: Transferred from Surplus in Profit and Loss | -                        | 225.00                   |
| <b>Closing Balance</b>                           | <b>460.10</b>            | <b>460.10</b>            |
| <b>Surplus in the Profit and Loss</b>            |                          |                          |
| Balance as per last financial statements         | 7,012.59                 | 5,363.73                 |
| Add: Net Profit for the year                     | 778.50                   | 1,873.86                 |
| Amount available for appropriation               | 7,791.09                 | 7,237.59                 |
| <b>Less : Appropriation</b>                      |                          |                          |
| Transferred to General Reserve                   | -                        | 225.00                   |
| <b>Net Surplus</b>                               | <b>7,791.09</b>          | <b>7,012.59</b>          |
| <b>Total Reserve and Surplus</b>                 | <b>16,822.48</b>         | <b>16,043.98</b>         |

## NOTES TO FINANCIAL STATEMENTS

₹ in lakhs

| Particulars                                                                                                                                                  | As at 31st<br>March 2012                                                                                                                                                           | As at 31st<br>March 2011 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <b>2.03 LONG-TERM BORROWINGS</b>                                                                                                                             |                                                                                                                                                                                    |                          |
| (b) Term loans                                                                                                                                               |                                                                                                                                                                                    |                          |
| From banks [Refer note 2.03 (a)]                                                                                                                             | 528.63                                                                                                                                                                             | 1,050.13                 |
| Secured                                                                                                                                                      |                                                                                                                                                                                    |                          |
| <b>Total Long Term Borrowings</b>                                                                                                                            | <b>528.63</b>                                                                                                                                                                      | <b>1,050.13</b>          |
| <b>2.03 (a) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:</b> |                                                                                                                                                                                    |                          |
| Particulars                                                                                                                                                  | Terms of repayment and security,                                                                                                                                                   |                          |
| Term loans from banks: Secured<br>L&T Finance                                                                                                                | 528.63                                                                                                                                                                             | 1,050.13                 |
|                                                                                                                                                              | Term loan is taken from L&T finance by pledging the property located at Hyderabad and repayable quarterly over a period of 5 years. Loan amount due after one year are shown here. |                          |
| Total - Term loans from banks                                                                                                                                | 528.63                                                                                                                                                                             | 1,050.13                 |
| <b>2.04 DEFERRED TAX LIABILITIES (NET)</b>                                                                                                                   |                                                                                                                                                                                    |                          |
| <b>Deferred Tax Liability</b>                                                                                                                                |                                                                                                                                                                                    |                          |
| On difference between book balance and tax balance of fixed assets                                                                                           | 313.00                                                                                                                                                                             | 132.60                   |
|                                                                                                                                                              | <b>313.00</b>                                                                                                                                                                      | <b>132.60</b>            |
| <b>Deferred Tax Asset</b>                                                                                                                                    | -                                                                                                                                                                                  | -                        |
| <b>Net Deferred Tax Liabilities</b>                                                                                                                          | <b>313.00</b>                                                                                                                                                                      | <b>132.60</b>            |
| <b>2.05 LONG-TERM PROVISIONS</b>                                                                                                                             |                                                                                                                                                                                    |                          |
| Others-Employee Benefits                                                                                                                                     | 22.50                                                                                                                                                                              | 18.50                    |
|                                                                                                                                                              | <b>22.50</b>                                                                                                                                                                       | <b>18.50</b>             |
| <b>2.06 SHORT-TERM BORROWINGS*</b>                                                                                                                           |                                                                                                                                                                                    |                          |
| <b>Secured</b>                                                                                                                                               |                                                                                                                                                                                    |                          |
| <b>Loan repayable on demand</b>                                                                                                                              |                                                                                                                                                                                    |                          |
| EXIM Bank Over Draft                                                                                                                                         | 3,181.22                                                                                                                                                                           | 2,303.27                 |
| Loan Against Fixed Deposit                                                                                                                                   | 46.21                                                                                                                                                                              | 631.99                   |
| Axis Bank Overdraft                                                                                                                                          | 81.03                                                                                                                                                                              | -                        |
| <b>Term Loan from Banks</b>                                                                                                                                  |                                                                                                                                                                                    |                          |
| Exim Bank Term Loan                                                                                                                                          | -                                                                                                                                                                                  | 15.94                    |
| <b>Unsecured</b>                                                                                                                                             |                                                                                                                                                                                    |                          |
| From Banks                                                                                                                                                   | -                                                                                                                                                                                  | 68.73                    |
| Others (Inter Corporate Deposits)                                                                                                                            | 3.00                                                                                                                                                                               | 3.00                     |
|                                                                                                                                                              | <b>3,311.46</b>                                                                                                                                                                    | <b>3,022.93</b>          |

\* Refer Note No. 2.06 (a)

## NOTES TO FINANCIAL STATEMENTS

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

₹ in lakhs

| Particulars                                                                           | Terms of repayment and security                                                                                                                                                                                  | As at 31 March, 2012 | As at 31 March, 2011 |
|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>SECURED</b>                                                                        |                                                                                                                                                                                                                  |                      |                      |
| Loan Repayable on demand<br>EXIM Bank Over Draft                                      | Exim Bank Overdraft is secured by all fixed assets and receivables of the Company and promoters' shares also is being pledged to the extent of 13,05,000 shares.                                                 | 3,181.22             | 2,303.27             |
| Loan Against Fixed Deposit<br>Axis bank Overdraft                                     | Overdraft facility from Axis Bank has been obtained by pledging the promoters' property situated at Trivandrum.                                                                                                  | 46.21<br>81.03       | 631.99<br>-          |
| Term Loan from Banks<br>Exim Bank Term Loan                                           |                                                                                                                                                                                                                  | -                    | 15.94                |
| <b>UNSECURED</b>                                                                      |                                                                                                                                                                                                                  |                      |                      |
| From Bank                                                                             |                                                                                                                                                                                                                  | -                    | 68.73                |
| From Others-(Inter corporate deposits)                                                |                                                                                                                                                                                                                  | 3.00                 | 3.00                 |
| <b>Total - Term loans from banks</b>                                                  |                                                                                                                                                                                                                  | <b>3,311.46</b>      | <b>3,022.93</b>      |
| <b>2.07 TRADE PAYABLES</b>                                                            |                                                                                                                                                                                                                  |                      |                      |
| Due to Micro & Small Enterprises (\$)<br>Trade Payables                               |                                                                                                                                                                                                                  | -<br>351.39          | -<br>158.84          |
|                                                                                       |                                                                                                                                                                                                                  | <b>351.39</b>        | <b>158.84</b>        |
| \$ No amount is due beyond period of 30 Days and Nil interest is paid during the year |                                                                                                                                                                                                                  |                      |                      |
| <b>2.08 OTHER CURRENT LIABILITIES</b>                                                 |                                                                                                                                                                                                                  |                      |                      |
| Current Maturities of long term debt [2.08(a)]                                        |                                                                                                                                                                                                                  | 536.75               | 452.49               |
| Unclaimed Dividends                                                                   |                                                                                                                                                                                                                  | 1.39                 | 1.40                 |
| Interest Accrued but not due                                                          |                                                                                                                                                                                                                  | 40.29                | 4.37                 |
| Employee Benefits                                                                     |                                                                                                                                                                                                                  | 40.94                | -                    |
| Statutory remittances                                                                 |                                                                                                                                                                                                                  | 10.84                | 66.99                |
|                                                                                       |                                                                                                                                                                                                                  | <b>630.21</b>        | <b>525.23</b>        |
| <b>2.08 (a)</b>                                                                       |                                                                                                                                                                                                                  |                      |                      |
| <b>Current Maturities of long term debt</b>                                           | <b>Terms of repayment and security</b>                                                                                                                                                                           |                      |                      |
| <b>SECURED</b>                                                                        |                                                                                                                                                                                                                  |                      |                      |
| Term Loan - L&T Finance                                                               | Term loan is taken from L&T finance by pledging the property located at Hyderabad and repayable quarterly over a period of next 5 years.                                                                         | 196.00               | 225.77               |
| External Commercial Borrowing                                                         | External Commercial Borrowing from ICICI Bank has been secured on the receivables and fixed assets of the company pari pasu along with Exim Bank and promoters' shares pledged to the extent of 4,00,000 shares. | 340.75               | 226.72               |
| <b>TOTAL</b>                                                                          |                                                                                                                                                                                                                  | <b>536.75</b>        | <b>452.49</b>        |
| <b>2.09 SHORT-TERM PROVISIONS</b>                                                     |                                                                                                                                                                                                                  |                      |                      |
| Taxation less advance payment                                                         |                                                                                                                                                                                                                  | 886.20               | 899.74               |
|                                                                                       |                                                                                                                                                                                                                  | <b>886.20</b>        | <b>899.74</b>        |

2.10 FIXED ASSETS

₹ in lakhs

|                          | COST                |                           | DEPRECIATION        |              | Net Book Value      |                     |
|--------------------------|---------------------|---------------------------|---------------------|--------------|---------------------|---------------------|
|                          | As at<br>01.04.2011 | Additions/<br>Adjustments | As at<br>01.04.2011 | For the year | As at<br>31.03.2012 | As at<br>31.03.2011 |
|                          | As at<br>31.03.2012 |                           | Upto<br>31.03.2012  |              |                     |                     |
| <b>TANGIBLE</b>          |                     |                           |                     |              |                     |                     |
| Buildings                | 684.83              | -                         | 193.57              | 49.13        | 442.13              | 491.26              |
| Electrical Installations | 89.55               | -                         | 47.99               | 5.78         | 35.78               | 41.56               |
| Plant & Machinery        | 44.36               | -                         | 25.32               | 2.65         | 16.39               | 19.04               |
| Furniture & Fixtures     | 244.54              | 0.75                      | 112.32              | 24.02        | 108.95              | 132.22              |
| Computers                | 1,239.75            | 34.89                     | 547.97              | 281.12       | 445.55              | 691.78              |
| Office Equipment         | -                   | 1.51                      | -                   | 0.17         | 1.34                | -                   |
| Motor Vehicles           | 37.63               | -                         | 27.31               | 2.67         | 7.65                | 10.32               |
| Total Tangibles          | 2,340.66            | 37.15                     | 954.48              | 365.54       | 1,057.79            | 1,386.18            |
| <b>INTANGIBLE</b>        |                     |                           |                     |              |                     |                     |
| Goodwill                 | 2,194.49            | -                         | 600.29              | 248.25       | 1,345.95            | 1,594.20            |
| Capitalised Software     | 1,517.67            | 2,170.53                  | 1,082.95            | 185.78       | 2,419.47            | 434.72              |
| Total Intangibles        | 3712.16             | 2,170.53                  | 1,683.24            | 434.03       | 3,765.42            | 2,028.92            |
| Total                    | 6,052.82            | 2,207.68                  | 2,637.72            | 799.57       | 4,823.21            | 3,415.10            |
| Previous Year            | 5199.49             | 853.33                    | 1,963.92            | 673.80       | 3,415.10            |                     |



## NOTES TO FINANCIAL STATEMENTS

₹ in lakhs

|                                                                  | Face Value<br>of each | Nos      | As at<br>31st March<br>2012 | As at<br>31st March<br>2011 |
|------------------------------------------------------------------|-----------------------|----------|-----------------------------|-----------------------------|
| <b>2.11 NON-CURRENT INVESTMENTS</b>                              |                       |          |                             |                             |
| <b>LONG TERM</b>                                                 |                       |          |                             |                             |
| <b>Trade Investment (Fully Paid)</b>                             |                       |          |                             |                             |
| <b>Investments in Equity Instruments</b>                         |                       |          |                             |                             |
| <b>Unquoted</b>                                                  |                       |          |                             |                             |
| <b>Subsidiaries</b>                                              |                       |          |                             |                             |
| Denmed Inc.                                                      | USD 1                 | 1000     | 1,228.85                    | 1,228.85                    |
| Investment-GSR PBS Inc.                                          | USD 1                 | 100      | 1,024.04                    | 1,024.04                    |
| Investment - GSR System Inc.                                     | USD 1                 | 100      | 409.62                      | 409.62                      |
| Investment in Oak Technologies                                   | USD 1                 | 1000     | 4,450.00                    | 4,450.00                    |
| Thunga Software Pvt. Ltd.                                        | ₹ 10                  | 2304345  | 577.59                      | 577.59                      |
| Accentia Technologies FZE                                        | DHMS 100000           | 1        | 17.13                       | 17.13                       |
| Accentia Education Services Pvt. Ltd.                            | ₹ 10                  | 10000    | 1.00                        | 1.00                        |
|                                                                  |                       |          | <b>7,708.23</b>             | <b>7,708.23</b>             |
| <b>Investments in Associates (Fully Paid)</b>                    |                       |          |                             |                             |
| Strategic Tangent Corporation                                    | USD 1                 | 3000     | 2,144.06                    | 1,402.99                    |
|                                                                  |                       |          | <b>2,144.06</b>             | <b>1,402.99</b>             |
| <b>Other Investments (Fully Paid)</b>                            |                       |          |                             |                             |
| Investment in Trans Service                                      | USD 1                 | 500      | 1,461.86                    | 1,461.86                    |
| Investment in Accentia Physician Services Inc.                   | USD 1                 | 1785     | 449.23                      |                             |
| <b>Investments in Equity Instruments</b>                         |                       |          |                             |                             |
| <b>(a) Quoted</b>                                                |                       |          |                             |                             |
| Octant Interactive Technologies Ltd                              | ₹ 10                  | 149627   | 25.12                       | 25.12                       |
|                                                                  |                       |          | <b>1,936.21</b>             | <b>1,486.98</b>             |
| <b>(b) Unquoted</b>                                              |                       |          |                             |                             |
| Invt. in Five X Finance & Investment Ltd.                        | ₹ 10                  | 10042734 | 100.43                      | 100.43                      |
| Kapol Co-Operative Bank Ltd.                                     | ₹ 10                  | 2030     | 0.20                        | 0.20                        |
| TECIL Chemicals & Hydropwer Ltd<br>(written off during the year) | ₹ 10                  | 12700    |                             | 3.81                        |
|                                                                  |                       |          | <b>100.63</b>               | <b>104.44</b>               |
|                                                                  |                       |          | <b>11,889.13</b>            | <b>10,702.64</b>            |
|                                                                  |                       |          | -                           | -                           |
|                                                                  |                       |          | <b>11,889.13</b>            | <b>10,702.64</b>            |
| <b>Total cost of Investments</b>                                 |                       |          |                             |                             |
| <b>Quoted</b>                                                    |                       |          |                             |                             |
|                                                                  |                       |          | <b>25.12</b>                | <b>25.12</b>                |
| <b>Unquoted</b>                                                  |                       |          |                             |                             |
|                                                                  |                       |          | <b>11,864.00</b>            | <b>10,677.52</b>            |
| <b>Aggregate Amount</b>                                          |                       |          |                             |                             |
|                                                                  |                       |          | <b>11,889.13</b>            | <b>10,702.64</b>            |
| <b>Market value of Quoted investments</b>                        |                       |          | <b>11.49</b>                | <b>17.96</b>                |

During the year Strategic Tangent Corporation became an associate of the company. Investment in that company is 24% and voting share is 24%.

## NOTES TO FINANCIAL STATEMENTS

₹ in lakhs

| Particulars                                                                | As at 31st March 2012  | As at 31st March 2011  |
|----------------------------------------------------------------------------|------------------------|------------------------|
| <b>2.12 LONG TERM LOANS, ADVANCES AND DEPOSITS</b>                         |                        |                        |
| <b>Secured</b>                                                             |                        |                        |
| (Unsecured, considered good unless otherwise stated)                       |                        |                        |
| Capital Advances                                                           | 2.00                   | 2.00                   |
| Deposits                                                                   |                        |                        |
| - Considered Good                                                          | 59.09                  | 57.50                  |
| - Considered Doubtful                                                      | -                      | -                      |
|                                                                            | <u>59.09</u>           | <u>57.50</u>           |
| Less: Provision for Doubtful Deposits                                      | -                      | -                      |
|                                                                            | 59.09                  | 57.50                  |
| Prepaid Expenses                                                           | 42.07                  | -                      |
| Employee Loans and Advances                                                | 2.95                   | -                      |
| MAT credit Entitlement                                                     | 161.48                 | 161.48                 |
|                                                                            | <u><b>267.59</b></u>   | <u><b>220.98</b></u>   |
| <b>2.13 OTHER NON CURRENT ASSETS</b>                                       |                        |                        |
| Others(contract purchased)                                                 | -                      | 1,548.64               |
| <b>2.14 TRADE RECEIVABLES</b>                                              |                        |                        |
| <b>Over six months from the date they were due for payment:</b>            |                        |                        |
| Unsecured                                                                  |                        |                        |
| - Considered Good                                                          |                        | 89.45                  |
| - Considered Doubtful                                                      |                        | -                      |
|                                                                            | -                      | <u>89.45</u>           |
| Less : Provision for Doubtful Debts                                        |                        | -                      |
|                                                                            |                        | 89.45                  |
| <b>Other Debts</b>                                                         |                        |                        |
| Secured - Considered Good                                                  |                        |                        |
| Unsecured - Considered Good                                                | 4,403.45               | 3,822.78               |
|                                                                            | <u>4,403.45</u>        | <u>3,822.78</u>        |
|                                                                            | <u><b>4,403.45</b></u> | <u><b>3,912.23</b></u> |
| <b>2.15 CASH AND BANK BALANCES</b>                                         |                        |                        |
| <b>(a) Cash and Cash equivalents</b>                                       |                        |                        |
| (i) Balances with Banks                                                    |                        |                        |
| - in current accounts                                                      | 255.21                 | 40.33                  |
| - in deposit accounts with original maturity less than 3 months            | 275.00                 | 1,086.40               |
| (ii) Cash on hand                                                          | 0.40                   | 0.63                   |
|                                                                            | <u>530.61</u>          | <u>1,127.36</u>        |
| <b>(b) Other Bank balances</b>                                             |                        |                        |
| (i) Unclaimed Dividend Account                                             | 1.30                   | 1.40                   |
| (ii) Short-term bank deposits with maturity between 3 months and 12 months | 104.16                 |                        |
|                                                                            | <u>105.46</u>          | <u>1.40</u>            |
|                                                                            | <u><b>636.07</b></u>   | <u><b>1,128.76</b></u> |

## NOTES TO FINANCIAL STATEMENTS

₹ in lakhs

| Particulars                               | As at 31st March 2012 | As at 31st March 2011 |
|-------------------------------------------|-----------------------|-----------------------|
| <b>2.16 SHORT TERM LOANS AND ADVANCES</b> |                       |                       |
| <b>Advances</b>                           |                       |                       |
| Considered Good                           | 65.36                 | 131.36                |
| Considered Doubtful                       | 65.36                 | 131.36                |
| Less: Provision for Doubtful Advances     | -                     | -                     |
|                                           | 65.36                 | 131.36                |
| Advance to Subsidiary companies           | 1,879.76              | 1,339.68              |
|                                           | <b>1,945.11</b>       | <b>1,471.04</b>       |
| <b>2.17 OTHER CURRENT ASSETS</b>          |                       |                       |
| Contracts Purchased                       | 1,548.92              |                       |
| Interest Accrued                          | 0.00                  | 0.00                  |
|                                           | <b>1,548.92</b>       | -                     |

## NOTES TO FINANCIAL STATEMENTS

₹ in lakhs

| Particulars                                    | For the year ended<br>31st March 2012 | For the year ended<br>31st March 2011 |
|------------------------------------------------|---------------------------------------|---------------------------------------|
| <b>2.18 REVENUE FROM OPERATIONS</b>            |                                       |                                       |
| <b>Sale of Services</b>                        |                                       |                                       |
| Billing Income                                 | 2,408.66                              | 2,190.89                              |
| Coding Income                                  | 2,184.04                              | 1,628.24                              |
| Medical Discrete Reportable Transcription      | 5,222.56                              |                                       |
| Medical Transcription Income                   | 2,808.78                              | 6,871.14                              |
| Provision for No Longer Required               | 5.47                                  | -                                     |
| <b>Total Revenue from operations</b>           | <b>12,629.51</b>                      | <b>10,690.27</b>                      |
| <b>2.19 OTHER INCOME</b>                       |                                       |                                       |
| Interest Earned                                | 30.54                                 | 132.01                                |
| Miscellaneous Income                           | 14.16                                 | 23.33                                 |
| Exchange fluctuation Income (net)              |                                       | 9.18                                  |
|                                                | <b>44.70</b>                          | <b>164.52</b>                         |
| <b>2.20 EMPLOYEE BENEFITS EXPENSE</b>          |                                       |                                       |
| Salaries, Wages and Bonus                      | 7,377.92                              | 5,340.11                              |
| Contribution to Provident Fund and other Funds | 18.03                                 | 22.11                                 |
| Workmen and Staff Welfare                      | 11.16                                 | 15.47                                 |
|                                                | <b>7,407.11</b>                       | <b>5,377.69</b>                       |
| <b>2.21 FINANCE COSTS</b>                      |                                       |                                       |
| Interest expense on borrowing costs            | 376.95                                | 381.68                                |
| Others (Bank Charges )                         | 7.25                                  | 6.65                                  |
|                                                | <b>384.20</b>                         | <b>388.33</b>                         |
| <b>2.22 OTHER EXPENSES</b>                     |                                       |                                       |
| Amortisation of contracts                      | 1,239.71                              | 1,111.58                              |
| Advertisement                                  | 8.11                                  | -                                     |
| Audit Fees                                     | 2.55                                  | 2.52                                  |
| Communication Charges                          | 26.96                                 | 35.88                                 |
| Power and Fuel                                 | 34.62                                 | 46.68                                 |
| Printing and Stationery                        | 8.87                                  | 9.05                                  |
| Professional charges                           | 29.83                                 | 11.51                                 |
| Miscellaneous Expenses                         | 41.66                                 | 57.76                                 |
| Rent                                           | 67.36                                 | 81.09                                 |
| Rates & Taxes                                  | 48.03                                 | 34.48                                 |
| Overseas Business Expenses                     | 1,507.29                              | 772.61                                |
| Repairs & Maintenance                          | 26.67                                 | 26.47                                 |
| Insurance                                      | 3.15                                  | 3.24                                  |
| Investment written off                         | 3.81                                  | -                                     |
| Exchange Fluctuation (Net)                     | 72.51                                 | -                                     |
| Travelling Expenses                            | 37.67                                 | 49.55                                 |
|                                                | <b>3,158.80</b>                       | <b>2,242.42</b>                       |

## NOTES TO FINANCIAL STATEMENTS

₹ in lakhs

|                                                                              | As at 31st March<br>2012 | As at 31st March<br>2011 |
|------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>2.23 CONTINGENT LIABILITIES:</b>                                          |                          |                          |
| Estimated amounts of contracts remaining to be executed and not provided for | 1,925.00                 | 0.00                     |
| Claims under adjudication not acknowledged as debts:                         |                          |                          |
| i) Demands raised by Income Tax, Excise & Service Tax Authorities            | 58.01                    | 58.01                    |
| Contingent Liabilities:                                                      |                          |                          |
| i) Bank & other Guarantees                                                   |                          | -                        |
| <b>2.24 AUDITORS REMUNERATION INCLUDES</b>                                   |                          |                          |
| Audit Fees                                                                   | 1.50                     | 1.50                     |
| Taxation Matters                                                             | 0.50                     | 0.50                     |
| Other Services                                                               | 0.28                     | 0.28                     |
| Reimbursement of Expenses                                                    | 0.27                     | 0.24                     |
|                                                                              | <b>2.55</b>              | <b>2.52</b>              |
| <b>2.25 BASIC &amp; DILUTED EARNINGS PER SHARE:</b>                          |                          |                          |
| Earnings Per Share has been computed as under:                               |                          |                          |
| a) Profit After Taxation (Rs Lakhs)                                          | 778.50                   | 1873.87                  |
| b) Weighted Average Number of Equity Shares                                  | 14,630,996               | 14,630,996               |
| c) Basic & Diluted Earnings Per Share (Rs.) (a)/(b)                          | 5.32                     | 12.81                    |
| d) Nominal value of share (Rs.)                                              | 14,630,996               | 10.00                    |
| <b>2.26 EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY</b>                     |                          |                          |
| Revenues                                                                     | 12,624.05                | 10,690.27                |
| <b>2.27 EXPENDITURE IN FOREIGN CURRENCY</b>                                  |                          |                          |
| Interest repayments                                                          | 89.62                    | 7.31                     |
| Overseas business expenses                                                   | 1,507.29                 | 772.61                   |
| Expenditure others                                                           | -                        | 8.63                     |

**Note No. 2.28 : (A) SIGNIFICANT ACCOUNTING POLICIES**

- I. The presentation of the accounts is based on the Revised Schedule VI of the Companies Act, 1956, applicable from the current financial year. Accordingly, previous year figures are realigned to make it comparable with the current year. Assets & Liabilities are bifurcated into current and non-current based on 12 months period from the Balance Sheet date, as the Operating cycle of the Company is less than one year.

**1. Accounting convention & concepts**

The financial statements are prepared under the historical cost convention on accrual basis in accordance with the Indian Generally Accepted Accounting Principles (IGAAP) comprising the Accounting standards Notified under Companies Accounting Standards Rules 2006 by the Central Government of India under section 211(3C) of the Companies Act 1956, Various pronouncements of the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 and guidelines issued by the Securities Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting policy hitherto in use.

**2. Use of Estimates**

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

**3. Revenue Recognition**

Income from Medical Transcription, Coding and

Billing and collection are recognised as income on completion of the service. Interest Income is recognized based on time proportion and on gross basis.

**4. Fixed Assets**

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

Intangible assets are stated at the consideration paid for the purchase /acquisition less accumulated amortization.

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

**5. Depreciation**

Depreciation on Fixed Assets has been provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on addition/deletion of assets during the year is provided on a pro-rata basis.

**6. Investments**

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

**7. Taxation**

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

**8. Foreign Exchange Transaction**

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

Rupees at the rate of exchange prevailing at the balance sheet date.

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

### 9. Impairment

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

### 10. Deferred Revenue Expenditure

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

### 11. Provision for Contingent Liabilities and Contingent Assets

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

### 12. Earning per Share (EPS)

The earning considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year duly adjusted for additional shares issued during the year, if any.

The number of shares used in computing diluted EPS comprises the weighted average number of equity shares considered for deriving basic EPS, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

## (B) NOTES TO ACCOUNTS

1. The company has invested in Accentia Physician services a software development company which is in to development of software related to EMR and SaaS. During the current year investment made for acquiring 17.85% of the total shares of the company. The company has strategic investment plan to take over the full control of the company over a period of time.

### 2. Disclosure as per AS 15 –Retirement Benefits:

Post Retirement Employee Benefits

a) Description of Plan

i) Gratuity:

Disclosures required as per the Accounting Standard is as follows;

b) Principal actuarial assumptions:

| Particulars                                                   | Gratuity |       |
|---------------------------------------------------------------|----------|-------|
|                                                               | 2012     | 2011  |
| Discount Rate                                                 | 8%       | 8%    |
| Rate of Return on Plan assets                                 | 0%       | 0%    |
| Salary Escalation                                             | 5%       | 5%    |
| Expected Average remaining working lives of employees (Years) | 27.68    | 29.02 |

c) Net Assets/(Liabilities) recognized in the Balance Sheet are as follows:

(₹ in lakhs)

| Particulars                                       | Gratuity |         |
|---------------------------------------------------|----------|---------|
|                                                   | 2012     | 2011    |
| Present Value of Defined Benefit Obligation       | 39.37    | 36.48   |
| Fair Value of Plan Assets                         | 0.00     | 0.00    |
| Funded Status [Surplus/(Deficit)]                 | (39.37)  | (36.48) |
| Net Asset/(Liability) recognized in Balance sheet | (39.37)  | (36.48) |

d) Amounts recognized in the Profit and Loss Accounts are as follows

(₹ in lakhs)

| Particulars                                          | Gratuity |        |
|------------------------------------------------------|----------|--------|
|                                                      | 2012     | 2011   |
| Current Service Cost                                 | 8.16     | 13.48  |
| Interest Cost                                        | 3.03     | 2.54   |
| Expected return on Plan assets                       | 0.00     | 0.00   |
| Net actuarial loss/(gain) recognized during the year | (8.30)   | (6.54) |
| Total included in employee Benefit                   | 2.89     | 9.48   |

## NOTES TO FINANCIAL STATEMENTS

### e) Reconciliation of opening and closing balances of the present value of the obligations

(₹ in lakhs)

| Particulars                                          | Gratuity |        |
|------------------------------------------------------|----------|--------|
|                                                      | 2012     | 2011   |
| Opening defined benefit obligation                   | 36.48    | 27.00  |
| Current Service Cost                                 | 08.16    | 13.48  |
| Interest Cost                                        | 03.03    | 2.54   |
| Net actuarial loss/(gain) recognized during the year | (08.30)  | (6.54) |
| Benefit Paid                                         | 0.00     | 0.00   |
| Closing Defined Benefit Obligation                   | 39.37    | 36.48  |

### 3. Segment Information (AS-17)

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

### 4. Related Party Transactions:

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

| RELATED PARTY                      | NATURE OF RELATIONSHIP   |
|------------------------------------|--------------------------|
| Sooraj C. K.                       | Key Management Personnel |
| Pradeep Viswambharan               | Key Management Personnel |
| Ravi Sankar                        | Key Management Personnel |
| Thunga Software Pvt Ltd            | Subsidiary               |
| Accentia Technologies FZE          | Subsidiary               |
| GSR PBS Inc                        | Subsidiary               |
| GSR Systems Inc                    | Subsidiary               |
| Denmed Inc                         | Subsidiary               |
| Oak Technologies Inc               | Subsidiary               |
| Acentia Education Services Pvt Ltd | Subsidiary               |
| Strategic Tangent Corporation      | Associate                |

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

| Particulars                               | 2011-12  | 2010-11  |
|-------------------------------------------|----------|----------|
| Remuneration to Key Management Personnel  | 29.70    | 15.00    |
| Dividend Paid to Key Management Personnel |          | 70.08    |
| Advances Given Subsidiaries               | 1,879.76 | 1,339.69 |

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

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

- Amount due and outstanding to suppliers as at the end of the accounting year.
- Interest paid during the year.
- Interest payable at the end of the accounting year.
- Interest accrued and unpaid at the end of accounting year and has not been provided.

The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act.

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

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

9. Balance sheet Abstract & Companies general business profile as required by Part IV Schedule VI to the Companies Act 1956 is enclosed in Annexure 'A'.

As per our report of even date attached

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

### CA. Durgesh Kabra

Partner  
Membership No. : 44075

For Accentia Technologies Ltd

**Pradeep Viswambharan**  
Managing Director & CEO

**Sooraj C K**  
Director

**Jayashree C O**  
Company Secretary

Mumbai  
27.08.2012



## CASH FLOW STATEMENT

₹ in lakhs

|                                                        | As at<br>31.03.2012 | As at<br>31.3.2011 |
|--------------------------------------------------------|---------------------|--------------------|
| <b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>          |                     |                    |
| Net Profit before taxes and exceptional items          | 924.53              | 2,173.00           |
| Depreciation                                           | 799.57              | 674.00             |
| Interest Expense                                       | 384.20              | 389.00             |
| Exchange Fluctuation                                   | 72.51               | (10.00)            |
| Interest and Dividend Income                           | (30.54)             | (132.00)           |
| Amortisation of Contracts                              | 1,239.71            | 1,112.00           |
| Investment Written off                                 | 3.81                | -                  |
| Operating profit/(loss) before Working capital changes | 3,393.78            | 4,206.00           |
| Decrease/(Increase) in Current Assets                  |                     |                    |
| Sundry Debtors                                         | (591.89)            | (1,533.00)         |
| Decrease/(Increase) in Current Assets                  |                     |                    |
| Loans & Advances                                       | (520.69)            | (829.00)           |
| Increase in Current Liabilities & Provisions           | 203.73              | 628.00             |
| Purchase of Contracts amortised                        | -                   | (981.00)           |
| <b>NET CASH FROM OPERATIONS (A)</b>                    | <b>2,484.94</b>     | <b>1,491.00</b>    |
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>          |                     |                    |
| Purchase of Fixed Assets                               | (2,033.00)          | (1,289.00)         |
| Investments                                            | (1,186.48)          | (1,519.00)         |
| Sale of Investment                                     | -                   | 71.00              |
| Interest and Dividend Income                           | 30.54               | 132.00             |
| <b>NET CASH FROM INVESTING ACTIVITIES (B)</b>          | <b>(3,188.94)</b>   | <b>(2,605.00)</b>  |
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>          |                     |                    |
| Net Loan received from the banks                       | (148.69)            | 1,455.00           |
| Interest on loans Paid                                 | (339.54)            | (384.00)           |
| Amount refunded on cancellation of Share Warrants      | (774.46)            | -                  |
| Additional Money received for issue of Share Warrants  | 86.74               | -                  |
| Dividend Paid                                          | -                   | (439.00)           |
| Money received against new allotment                   | 1,387.25            | -                  |
| <b>NET CASH FROM FINANCING ACTIVITIES ©</b>            | <b>211.30</b>       | <b>632.00</b>      |
| NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)       | (492.70)            | (482.00)           |
| CASH AND CASH EQUIVALENT AS AT BEGINNING OF THE YEAR   | 1,128.77            | 1,611.00           |
| CASH AND CASH EQUIVALENT AS AT THE END OF THE YEAR     | 636.07              | 1,128.77           |

Notes to the Cash Flow Statement for the year ended 31st March 2012

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

As per our report of even date attached

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

**CA. Durgesh Kabra**  
Partner  
Membership No. : 44075

For Accentia Technologies Ltd

**Pradeep Viswambharan**  
Managing Director & C E O

**Sooraj C K**  
Director

**Jayashree C O**  
Company Secretary

Navi Mumbai  
27.08.2012

**1. Registration Details :**

|              |    |                    |                       |
|--------------|----|--------------------|-----------------------|
| State Code : | 11 | Registration No.   | L99999MH1991PLC062885 |
|              |    | Balance Sheet Date | 31.03.2012            |

**2. Capital Raised during the year (Rupees in Thousands)**

|              |     |                   |     |
|--------------|-----|-------------------|-----|
| Public Issue | Nil | Right Issue       | Nil |
| Bonus Issue  | Nil | Private Placement | Nil |

**3. Position of Mobilisation and Deployment of Funds (Rupees in Thousands)**

|                   |           |              |           |
|-------------------|-----------|--------------|-----------|
| Total Liabilities | 25,80,296 | Total Assets | 25,80,296 |
|-------------------|-----------|--------------|-----------|

**Source of Funds**

|                 |          |                    |           |
|-----------------|----------|--------------------|-----------|
| Paid up Capital | 1,46,310 | Reserves & Surplus | 16,82,248 |
| Secured Loan    | 4,37,385 | UnSecured Loan     | 300       |
| Deferred Tax    | 31,300   |                    |           |

**Application of Funds**

|                    |          |                   |           |
|--------------------|----------|-------------------|-----------|
| Net Fixed Assets   | 4,82,231 | Investments       | 11,88,913 |
| Net Current Assets | 5,65,357 | Misc. Expenditure | 1,54,892  |

**Performance of Company (Rupees in Thousands)**

|                           |           |                   |           |
|---------------------------|-----------|-------------------|-----------|
| Turnover                  | 12,67,421 | Total Expenditure | 11,74,968 |
| Profit before Tax         | 92,453    | Profit after Tax  | 77,850    |
| Earning per. Share in Rs. | 5.32      | Dividend          | Nil       |

**4. Generic Name of three Principal Products/ Services of the Company (as per Monetary terms)**

|                          |          |                     |                |
|--------------------------|----------|---------------------|----------------|
| Item Code No. (ITC Code) | Service  | Product Description | Not applicable |
| Item Code No. (ITC Code) | Software | Product Description | 892.20         |

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For Accentia Technologies Ltd

**Pradeep Viswambharan**  
Managing Director & C E O

Navi Mumbai  
27.08.2012

**Sooraj C K**  
Director

**Jayashree C O**  
Company Secretary

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# CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2012

**Accentia Technologies Limited**

To,

The Board of Directors of ACCENTIA TECHNOLOGIES LIMITED

1. We have audited the attached Consolidated Balance Sheet of ACCENTIA TECHNOLOGIES LIMITED and its subsidiaries (the group), as at March 31, 2012, and also the Consolidated Profit & Loss Statement and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the Financial Statement of Subsidiaries, whose financial statement reflect the group's share of net assets of Rs. 21,992.58 lakhs as at March 31, 2012 and group share of net profit of Rs 1,533.41 Lakhs for the year ended on that date, which are considered in the Consolidated Financial Statements. This Financial Statement and other financial information have been audited by other auditor whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard-21, "Consolidated Financial Statement" and Accounting Standard 23 on accounting for investments in associates in Consolidated Financial Statements notified under Companies Accounting Standards Rules 2006.
5. Based on our audit, and on consideration of the report of the other auditors on the separated financial statement of the Subsidiaries and other financial information of its components, in our opinion and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statement give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012.
  - (b) In the case of the Consolidated Profit & Loss Statement, of the Profit of the Group for the year ended on that date; and
  - (c) In the case of Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

**For DMKH & Co.**

Chartered Accountants  
Firm Reg. No. – 116886W

**CA. Durgesh Kabra**

Partner

Membership No. : 044075

Place : Navi Mumbai

Date : August 27, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012

₹ in lakhs

|                                                  | Note    | As at 31st March<br>2012 | As at 31st March<br>2011 |
|--------------------------------------------------|---------|--------------------------|--------------------------|
| <b>Equity and Liabilities</b>                    |         |                          |                          |
| <b>Shareholders' Funds</b>                       |         |                          |                          |
| Share Capital                                    | 2.01    | 1,463.10                 | 1,463.10                 |
| Reserves and Surplus                             | 2.02    | 38,257.41                | 33,335.96                |
| Money received against share warrants            | 2.01(a) | 86.74                    | 774.46                   |
|                                                  |         | <b>39,807.25</b>         | <b>35,573.52</b>         |
| <b>Share Application money pending allotment</b> | 2.01(b) | 1,387.25                 |                          |
| <b>Non-Current Liabilities</b>                   |         |                          |                          |
| Long-term Borrowings                             | 2.03    | 528.63                   | 1,050.13                 |
| Deferred Tax Liabilities (Net)                   | 2.04    | 323.10                   | 156.74                   |
| Long-term Provisions                             | 2.05    | 22.50                    | 18.50                    |
|                                                  |         | <b>874.23</b>            | <b>1,225.37</b>          |
| <b>Current Liabilities</b>                       |         |                          |                          |
| Short-term Borrowings                            | 2.06    | 3,311.46                 | 3,022.93                 |
| Trade Payables                                   | 2.07    | 971.22                   | 545.53                   |
| Other Current Liabilities                        | 2.08    | 749.34                   | 675.77                   |
| Short-term Provisions                            | 2.09    | 1,002.36                 | 1,013.08                 |
|                                                  |         | <b>6,034.38</b>          | <b>5,257.31</b>          |
| <b>TOTAL</b>                                     |         | <b>48,103.11</b>         | <b>42,056.20</b>         |
| <b>ASSETS</b>                                    |         |                          |                          |
| <b>Non-Current Assets</b>                        |         |                          |                          |
| Fixed Assets                                     |         |                          |                          |
| Tangible Assets                                  | 2.10    | 1,203.09                 | 1,555.61                 |
| Intangible Assets                                | 2.10    | 9,319.30                 | 3,814.10                 |
| Capital work in progress                         |         | 0.31                     | -                        |
| Intangible assets under development              |         | 1,404.38                 | 3,849.40                 |
| Goodwill on consolidation                        |         | 7,115.12                 | 7,115.12                 |
| Non-current Investments                          | 2.11    | 5,760.41                 | 4,361.01                 |
| Long-term Loans and Advances                     | 2.12    | 4,765.11                 | 863.66                   |
| Other non-current assets                         | 2.13    | 840.00                   | 3,190.04                 |
|                                                  |         | <b>30,407.72</b>         | <b>24,748.94</b>         |
| <b>Current Assets</b>                            |         |                          |                          |
| Trade Receivables                                | 2.14    | 11,414.01                | 12,021.72                |
| Cash & Bank Balances                             | 2.15    | 1,016.17                 | 1,227.56                 |
| Short-term Loans and Advances                    | 2.16    | 2,915.19                 | 1,594.00                 |
| Other Current Assets                             | 2.17    | 2,350.02                 | 2,463.98                 |
|                                                  |         | <b>20,253.39</b>         | <b>17,307.26</b>         |
| <b>TOTAL</b>                                     |         | <b>48,103.11</b>         | <b>42,056.20</b>         |

Notes forming part of the consolidated financial statements

As per our report of even date attached

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

**CA. Durgesh Kabra**

Partner  
Membership No. : 44075

For Accentia Technologies Ltd

**Pradeep Viswambharan**  
Managing Director & CEO

**Sooraj C K**  
Director

**Jayashree C O**  
Company Secretary

Navi Mumbai  
27.08.2012

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

₹ in lakhs

|                                                              | Note | For the year ended<br>31st March 2012 | For the year ended<br>31st March 2011 |
|--------------------------------------------------------------|------|---------------------------------------|---------------------------------------|
| <b>Income</b>                                                |      |                                       |                                       |
| Revenue from Operations                                      | 2.18 | 26,037.76                             | 32,934.44                             |
| Other Income                                                 | 2.19 | 47.51                                 | 189.23                                |
| <b>Total Revenue</b>                                         |      | <b>26085.27</b>                       | <b>33,123.67</b>                      |
| <b>Expenses</b>                                              |      |                                       |                                       |
| Employee Benefits Expense                                    | 2.20 | 15,159.98                             | 17,448.88                             |
| Finance Costs                                                | 2.21 | 398.49                                | 408.25                                |
| Depreciaton and amortization expense                         |      | 1,867.82                              | 1,253.95                              |
| Other Expenses                                               | 2.22 | 6,090.10                              | 5,481.31                              |
| <b>Total Expenses</b>                                        |      | <b>23,516.39</b>                      | <b>24,592.39</b>                      |
| <b>Profit before exceptional items and taxes</b>             |      | <b>2,568.88</b>                       | <b>8,531.28</b>                       |
| <b>Exceptional items</b>                                     |      | -                                     | (17.41)                               |
| <b>Profit before tax</b>                                     |      | <b>2,568.88</b>                       | <b>8,513.87</b>                       |
| <b>Tax expenses</b>                                          |      |                                       |                                       |
| Current tax                                                  |      | 366.06                                | 1,108.65                              |
| Excess Tax provision written back                            |      | (275.26)                              | (172.00)                              |
| Deferred tax                                                 |      | 166.16                                | 42.25                                 |
| Total Tax                                                    |      | 256.96                                | 978.90                                |
| <b>Net Profit for the Year</b>                               |      | <b>2,311.92</b>                       | <b>7,534.97</b>                       |
| Earning Per Share - Basic & Diluted                          |      | 15.76                                 | 51.50                                 |
| Weighted average number of shares (face value of Rs 10 each) |      | 1,46,30,996                           | 1,46,30,996                           |

Notes forming part of consolidated financial statements

As per our report of even date attached

For DMKH & CO.

Chartered Accountants.

Firm Registration No. 116886W

**CA. Durgesh Kabra**

Partner

Membership No. : 44075

For Accentia Technologies Ltd

**Pradeep Viswambharan**

Managing Director & C E O

**Sooraj C K**

Director

**Jayashree C O**

Company Secretary

Navi Mumbai

27.08.2012

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

| Particulars                                         | As at 31st March<br>2012 | As at 31st March<br>2011 |
|-----------------------------------------------------|--------------------------|--------------------------|
| <b>2.01 SHARE CAPITAL</b>                           |                          |                          |
| <b>AUTHORISED</b>                                   |                          |                          |
| 2,50,00,000 Equity Shares of ₹10/- each             | 2,500.00                 | 2,000.00                 |
|                                                     | <u>2,000.00</u>          | <u>2,000.00</u>          |
| <b>ISSUED, SUBSCRIBED AND PAID-UP</b>               |                          |                          |
| 1,46,30,996 Equity Shares of ₹10/- each, fully paid | 1,463.10                 | 1,463.10                 |
|                                                     | <u>1,463.10</u>          | <u>1,463.10</u>          |

### Details of Shareholder holding more than 5% shares:

| Name of Share holder    | As at 31st March 2012 |           | As at 31st March 2011 |           |
|-------------------------|-----------------------|-----------|-----------------------|-----------|
|                         | No of Shares          | % Holding | No of Shares          | % Holding |
| Pradeep V S             | 23,36,294             | 15.97%    | 23,36,294             | 15.97%    |
| Bergurren AP            | 18,53,080             | 12.67%    | 18,53,080             | 12.67%    |
| Kirit Ramniklal Kanakia | 10,18,328             | 6.96%     | 11,60,179             | 7.93%     |

### Reconciliation of number of shares:

| Particulars                        | As at 31st<br>March 2012 | As at 31st<br>March 2011 |
|------------------------------------|--------------------------|--------------------------|
| Number of shares as at 01.04.2011  | 1,46,30,996              | 14,630,996               |
| Add: Shares issued during the year | -                        | -                        |
| Number of shares as at 31.03.2012  | 1,46,30,996              | 14,630,996               |

### Terms/rights attached to equity shares

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

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

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The Distribution will be in proportion to the number of equity shares held by the shareholders.

### Out of the above the following are for other than cash

Shares allotted during the last 5 years

| Year    | No of shares | Remarks                                                                                 |
|---------|--------------|-----------------------------------------------------------------------------------------|
| 2010-11 | 11,88,313    | Alloted pursuant to the merger of Ascent Infoserve Pvt Ltd                              |
| 2007-08 | 46,40,713    | Alloted pursuant to the merger of Geosoft Technologies Ltd and Iridium Technologies Ltd |
| 2006-07 | 9,16,667     | shares allotted to the promoters of foreign companies acquired                          |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 2.01 SHARE CAPITAL

### Particulars

#### 2.01(a) Monies received against share warrants

The Board of Directors of the Company at their meeting held on 5th June 2012 and as approved at its Extraordinary General Meeting held on 22nd March 2012 have resolved to create, offer, issue and allot up to 5,59,615 warrants, convertible into 5,59,615 equity shares of ₹ 10 /- each on a preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of ₹ 63.10/- per equity share of the Company, arrived at in accordance with the SEBI Guidelines in this regard and subsequently these warrants were allotted on 5th June 2012 to the promoters and the 25% application money amounting to ₹ 86.74 Lakhs was received from them. The warrants may be converted into equivalent number of shares on payment of the balance amount at any time on or before 22nd September 2013. In the event the warrants are not converted into shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants.

#### 2.01(b) Share application money pending allotment

As at 31 March 2012, the Company has received an amount of ₹ 1,387.25 Lakhs towards share application money towards 23,93,574 equity shares of the Company at a premium of ₹ 53.10. The share application money was received pursuant to an invitation to offer shares and in terms of such invitation, the Company is required to complete the allotment formalities by 15 days from the date of obtaining approval from the Bombay Stock Exchange. The Company has sufficient authorised capital to cover the allotment of these shares.

| Particulars                                      | ₹ in lakhs               |                          |
|--------------------------------------------------|--------------------------|--------------------------|
|                                                  | As at 31st March<br>2012 | As at 31st March<br>2011 |
| <b>2.02 RESERVES AND SURPLUS</b>                 |                          |                          |
| <b>Investment Subsidy</b>                        | <b>1.65</b>              | <b>1.65</b>              |
| <b>Capital Reserve</b>                           |                          |                          |
| Balance as on 01.04.2011                         | 35.45                    | 35.45                    |
| Add: Transferred from Surplus                    | -                        | -                        |
| <b>Capital Reserve</b>                           | <b>35.45</b>             | <b>35.45</b>             |
| <b>Securities Premium Account</b>                | <b>8,534.19</b>          | <b>8,534.19</b>          |
| <b>General Reserves</b>                          |                          |                          |
| Balance as on 01.04.2011                         | 460.10                   | 235.10                   |
| Add: Transferred from Surplus in Profit and Loss | -                        | 225.00                   |
| Add: Appreciation on investment in Associates    | 35.45                    |                          |
| <b>General Reserves</b>                          | <b>495.55</b>            | <b>460.10</b>            |
| <b>Foreign Currency Translation Reserve</b>      |                          |                          |
| Balance as on 01.04.2011                         | 30.26                    | (246.00)                 |
| Add: Additions during the year                   | 2,574.08                 | 276.26                   |
| <b>Amalgamation Reserves</b>                     | <b>2,604.34</b>          | <b>30.26</b>             |
| <b>Surplus in the Profit and Loss</b>            |                          |                          |
| Balance as on 01.04.2011                         | 24,274.31                | 16,964.34                |
| Add: Net Profit for the year                     | 2,311.92                 | 7,534.97                 |
| Amount available for appropriation               | 26,586.23                | 24,499.31                |
| <b>Less : Approriation</b>                       |                          |                          |
| Transferred to General Reserve                   | -                        | 225.00                   |
| <b>Net Surplus</b>                               | <b>26,586.23</b>         | <b>24,274.31</b>         |
| <b>Total Reserve and Surplus</b>                 | <b>38,257.41</b>         | <b>33,335.96</b>         |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

| Particulars                                                                                                                                      | As at 31st<br>March 2012                                                                                                                                                           | As at 31st<br>March 2011 |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <b>2.03 LONG-TERM BORROWINGS</b>                                                                                                                 |                                                                                                                                                                                    |                          |
| <b>Term loans</b>                                                                                                                                |                                                                                                                                                                                    |                          |
| From banks Secured [Refer Note No. 2.03 (a)]                                                                                                     | 528.63                                                                                                                                                                             | 1,050.13                 |
| <b>Total Long Term Borrowings</b>                                                                                                                | <b>528.63</b>                                                                                                                                                                      | <b>1,050.13</b>          |
| <b>2.03 (a) Details of terms of repayment for the long-term borrowings and security provided in respect of the secured long-term borrowings:</b> |                                                                                                                                                                                    |                          |
| Particulars                                                                                                                                      | Terms of repayment and security,                                                                                                                                                   |                          |
| Term loans from banks: Secured L&T Finance                                                                                                       | 528.63                                                                                                                                                                             | 1,050.13                 |
|                                                                                                                                                  | Term loan is taken from L&T finance by pledging the property located at Hyderabad and repayable quarterly over a period of 5 years. Loan amount due after one year are shown here. |                          |
| Total - Term loans from banks                                                                                                                    | 528.63                                                                                                                                                                             | 1,050.13                 |
| <b>2.04 DEFERRED TAX LIABILITIES (NET)</b>                                                                                                       |                                                                                                                                                                                    |                          |
| <b>Deferred Tax Liability</b>                                                                                                                    |                                                                                                                                                                                    |                          |
| On difference between book balance and tax balance of fixed assets                                                                               | 323.22                                                                                                                                                                             | 156.74                   |
|                                                                                                                                                  | <b>323.22</b>                                                                                                                                                                      | <b>156.74</b>            |
| <b>Deferred Tax Asset</b>                                                                                                                        |                                                                                                                                                                                    |                          |
| Employee Benefits                                                                                                                                | 0.12                                                                                                                                                                               | -                        |
| <b>Net Deferred Tax Liabilities</b>                                                                                                              | <b>323.10</b>                                                                                                                                                                      | <b>156.74</b>            |
| <b>2.05 LONG-TERM PROVISIONS</b>                                                                                                                 |                                                                                                                                                                                    |                          |
| Employee Benefits                                                                                                                                | 22.50                                                                                                                                                                              | 18.50                    |
|                                                                                                                                                  | <b>22.50</b>                                                                                                                                                                       | <b>18.50</b>             |
| <b>2.06 SHORT-TERM BORROWINGS</b>                                                                                                                |                                                                                                                                                                                    |                          |
| <b>Secured</b>                                                                                                                                   |                                                                                                                                                                                    |                          |
| <b>Loan repayable on demand</b>                                                                                                                  |                                                                                                                                                                                    |                          |
| EXIM Bank Over Draft                                                                                                                             | 3,181.22                                                                                                                                                                           | 2,303.27                 |
| Loan Against Fixed Deposit                                                                                                                       | 46.21                                                                                                                                                                              | 631.99                   |
| Axis bank Overdraft                                                                                                                              | 81.03                                                                                                                                                                              | -                        |
| <b>Term Loan from Banks</b>                                                                                                                      |                                                                                                                                                                                    |                          |
| Exim Bank Term Loan                                                                                                                              | -                                                                                                                                                                                  | 15.94                    |
| <b>Unsecured</b>                                                                                                                                 |                                                                                                                                                                                    |                          |
| From Banks                                                                                                                                       | -                                                                                                                                                                                  | 68.73                    |
| Others (Inter Corporate Deposits)                                                                                                                | 3.00                                                                                                                                                                               | 3.00                     |
|                                                                                                                                                  | <b>3,311.46</b>                                                                                                                                                                    | <b>3,022.93</b>          |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

₹ in lakhs

| Particulars                                       | Terms of repayment and security                                                                                                                                  | As at 31 March,<br>2012 | As at 31 March,<br>2011 |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>SECURED</b>                                    |                                                                                                                                                                  |                         |                         |
| Loan Repayable on demand<br>EXIM Bank Over Draft  | Exim Bank Overdraft is secured by all fixed assets and receivables of the Company and promoters' shares also is being pledged to the extent of 13,05,000 shares. | 3,181.22                | 2,303.27                |
| Loan Against Fixed Deposit<br>Axis bank Overdraft | Overdraft facility from Axis Bank has been obtained by pledging the promoters' property situated at Trivandrum.                                                  | 46.21<br>81.03          | 631.99<br>-             |
| Term Loan from Banks<br>Exim Bank Term Loan       |                                                                                                                                                                  | -                       | 15.94                   |
| <b>UNSECURED</b>                                  |                                                                                                                                                                  |                         |                         |
| From Bank                                         |                                                                                                                                                                  | -                       | 68.73                   |
| From Others-(Inter corporate deposits)            |                                                                                                                                                                  | 3.00                    | 3.00                    |
| <b>Total - Term loans from banks</b>              |                                                                                                                                                                  | <b>3,311.46</b>         | <b>3,022.93</b>         |

### 2.07 TRADE PAYABLES

Due to Micro & Small Enterprises (\$)  
Trade Payables

|               |               |
|---------------|---------------|
| -             | -             |
| 971.22        | 545.53        |
| <b>971.22</b> | <b>545.53</b> |

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

### 2.08 OTHER CURRENT LIABILITIES

Current Maturities of long term debt [2.08(a)]  
Unclaimed Dividends  
Interest Accrued but not due  
Employee Benefits  
Advance received from customers  
Statutory remittances

|               |               |
|---------------|---------------|
| 536.75        | 452.49        |
| 1.39          | 1.40          |
| 40.29         | 4.37          |
| 112.94        | 115.52        |
| 6.00          | -             |
| 51.97         | 101.99        |
| <b>749.34</b> | <b>675.77</b> |

### 2.08 (a)

**Current Maturities of long term debt  
SECURED**

| Particulars                   | Terms of repayment and security                                                                                                                                                                                  | As at 31 March,<br>2012 | As at 31 March,<br>2011 |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Term Loan - L&T Finance       | Term loan is taken from L&T finance by pledging the property located at Hyderabad and repayable quarterly over a period of next 5 years.                                                                         | 196.00                  | 225.77                  |
| External Commercial Borrowing | External Commercial Borrowing from ICICI Bank has been secured on the receivables and fixed assets of the Company pari pasu along with Exim Bank and promoters' shares pledged to the extent of 4,00,000 shares. | 340.75                  | 226.72                  |
| <b>TOTAL</b>                  |                                                                                                                                                                                                                  | <b>536.75</b>           | <b>452.49</b>           |

### 2.09 SHORT-TERM PROVISIONS

Employee Benefits  
Taxation less advance payment

|                 |                 |
|-----------------|-----------------|
| 2.96            | -               |
| 999.40          | 1,013.08        |
| <b>1,002.36</b> | <b>1,013.08</b> |

2.10 FIXED ASSETS

₹ in lakhs

|                          | COST                |                           |                     | DEPRECIATION        |                            | Net Book Value      |                     |
|--------------------------|---------------------|---------------------------|---------------------|---------------------|----------------------------|---------------------|---------------------|
|                          | As at<br>01.04.2011 | Additions/<br>Adjustments | As at<br>31.03.2012 | As at<br>01.04.2011 | For the year<br>31.03.2012 | As at<br>31.03.2012 | As at<br>31.03.2011 |
| <b>TANGIBLE</b>          |                     |                           |                     |                     |                            |                     |                     |
| Buildings                | 692.43              | -                         | 692.43              | 201.07              | 49.13                      | 442.23              | 491.36              |
| Electrical Installations | 146.00              | -                         | 146.00              | 62.36               | 12.46                      | 71.18               | 83.64               |
| Plant & Machinery        | 77.12               | -                         | 77.12               | 59.24               | 2.79                       | 15.09               | 17.88               |
| Library Books            | 0.58                | -                         | 0.58                | 0.54                | 0.00                       | 0.04                | 0.04                |
| Furniture & Fixtures     | 532.84              | 0.75                      | 533.59              | 321.35              | 32.78                      | 179.46              | 211.49              |
| Computers                | 2,155.45            | 34.89                     | 2,190.34            | 1,463.67            | 281.12                     | 445.55              | 691.78              |
| Office Equipment         | 133.94              | 1.51                      | 135.45              | 86.47               | 8.36                       | 40.62               | 47.47               |
| Motor Vehicles           | 47.98               | -                         | 47.98               | 36.03               | 3.03                       | 8.92                | 11.95               |
| Total Tangibles          | 3,786.34            | 37.15                     | 3,823.49            | 2,230.73            | 389.67                     | 1,203.09            | 1,555.61            |
| <b>INTANGIBLE</b>        |                     |                           |                     |                     |                            |                     |                     |
| Goodwill                 | 2,194.49            | -                         | 2,194.49            | 600.29              | 248.25                     | 1,345.95            | 1,594.20            |
| Capitalised Software     | 3,483.30            | 6,983.35                  | 10,466.65           | 1,263.40            | 1,229.90                   | 7,973.35            | 2,219.90            |
| Total Intangibles        | 5,677.79            | 6,983.35                  | 12,661.14           | 1,863.69            | 1,478.15                   | 9,319.30            | 3,814.10            |
| Total                    | 9,464.13            | 7,020.50                  | 16,484.63           | 4,094.42            | 1,867.82                   | 10,522.39           | 5,369.71            |
| Previous Year            | 7,427.03            | 2,037.11                  | 9,464.14            | 2,840.48            | 1,253.95                   | 5,369.71            |                     |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

|                                                                   | Face Value<br>of each | Nos      | As at<br>31st March<br>2012 | As at<br>31st March<br>2011 |
|-------------------------------------------------------------------|-----------------------|----------|-----------------------------|-----------------------------|
| <b>2.11 NON-CURRENT INVESTMENTS</b>                               |                       |          |                             |                             |
| <b>LONG TERM</b>                                                  |                       |          |                             |                             |
| <b>Investments in Associates</b>                                  |                       |          |                             |                             |
| Strategic Tangent Corporation                                     | USD 1                 | 3000     | 2,144.06                    | 1,402.99                    |
|                                                                   |                       |          | <b>2,144.06</b>             | <b>1,402.99</b>             |
| <b>Other Investments (Fully Paid)</b>                             |                       |          |                             |                             |
| Investment in Trans Services Inc                                  | USD 1                 | 500      | 1,461.86                    | 1,461.86                    |
| Investment in Accentia Physician Services                         | USD 1                 | 1785     | 449.23                      | -                           |
| Investment in Alpine Technologies Inc                             | USD 1                 | 2250     | 1,544.07                    | 1,366.60                    |
| <b>Investments in Equity Instruments</b>                          |                       |          |                             |                             |
| <b>(a) Quoted</b>                                                 |                       |          |                             |                             |
| Octant Interactive Technologies Ltd                               | ₹ 10                  | 149627   | 25.12                       | 25.12                       |
|                                                                   |                       |          | <b>3,480.28</b>             | <b>2,853.58</b>             |
| <b>(b) Unquoted</b>                                               |                       |          |                             |                             |
| Invt. in Five X Finance & Investment Ltd.                         | ₹ 10                  | 10042734 | 100.43                      | 100.43                      |
| Kapol Co-Operative Bank Ltd.                                      | ₹ 10                  | 2030     | 0.20                        | 0.20                        |
| TECIL Chemicals & Hydropwer Ltd<br>(Written off during the year)  | ₹ 10                  | 12700    | -                           | 3.81                        |
|                                                                   |                       |          | <b>100.63</b>               | <b>104.44</b>               |
|                                                                   |                       | Total    | <b>5,724.97</b>             | <b>4,361.01</b>             |
| Net appreciation in investments in associates under equity method |                       |          | <b>35.45</b>                | -                           |
|                                                                   |                       |          | <b>5,760.42</b>             | <b>4,361.01</b>             |
| <b>Total cost of Investments</b>                                  |                       |          |                             |                             |
| <b>Quoted</b>                                                     |                       |          |                             |                             |
| <b>Unquoted</b>                                                   |                       |          |                             |                             |
| <b>Aggregate Amount</b>                                           |                       |          |                             |                             |
|                                                                   |                       |          | <b>25.12</b>                | <b>25.12</b>                |
|                                                                   |                       |          | <b>5,735.30</b>             | <b>4,335.89</b>             |
|                                                                   |                       |          | <b>5,760.41</b>             | <b>4,361.01</b>             |
| <b>Market value of Quoted investments</b>                         |                       |          | <b>11.49</b>                | <b>17.96</b>                |

During the year Strategic Tangent Corporation became an associate of the company. Investment in that company is 24% and voting share is 24%.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

| Particulars                                                     | As at 31st March<br>2012 | As at 31st March<br>2011 |
|-----------------------------------------------------------------|--------------------------|--------------------------|
| <b>2.12 LONG TERM LOANS, ADVANCES AND DEPOSITS</b>              |                          |                          |
| <b>Secured</b>                                                  |                          |                          |
| (Unsecured, considered good unless otherwise stated)            | -                        | -                        |
| Capital Advances                                                | 4,496.15                 | 559.48                   |
| Deposits                                                        | 0.42                     |                          |
| - Considered Good                                               | 62.04                    | 60.45                    |
| - Considered Doubtful                                           | -                        | -                        |
| Less: Provision for Doubtful Deposits                           | -                        | -                        |
|                                                                 | <b>4,558.61</b>          | <b>619.93</b>            |
| Prepaid Expenses                                                | 42.07                    | 66.50                    |
| Employee Loans and Advances                                     | 2.95                     | 15.75                    |
| MAT credit Entitlement                                          | 161.48                   | 161.48                   |
|                                                                 | <b>4,765.11</b>          | <b>863.66</b>            |
| <b>2.13 OTHER NON CURRENT ASSETS</b>                            |                          |                          |
| Others(contract purchased)                                      | 840.00                   | 3,190.04                 |
|                                                                 | <b>840.00</b>            | <b>3,190.04</b>          |
| <b>2.14 TRADE RECEIVABLES</b>                                   |                          |                          |
| <b>Over six months from the date they were due for payment:</b> |                          |                          |
| Unsecured                                                       |                          |                          |
| - Considered Good                                               | 113.70                   | 89.35                    |
| - Considered Doubtful                                           | -                        | -                        |
|                                                                 | 113.70                   | 89.35                    |
| Less : Provision for Doubtful Debts                             | -                        | -                        |
|                                                                 | <b>113.70</b>            | <b>89.35</b>             |
| Other Debts                                                     | -                        | -                        |
| Secured - Considered Good                                       | -                        | -                        |
| Unsecured - Considered Good                                     | 11,300.31                | 11,932.37                |
| Considered Doubtful                                             | -                        | -                        |
| Less : Provision for Doubtful Debts                             | -                        | -                        |
|                                                                 | <b>11,414.01</b>         | <b>12,021.72</b>         |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

| Particulars                                                                | As at 31st March<br>2012 | As at 31st March<br>2011 |
|----------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>2.15 CASH AND BANK BALANCES</b>                                         |                          |                          |
| <b>(a) Cash and Cash equivalents</b>                                       |                          |                          |
| (i) Balances with Banks                                                    |                          |                          |
| in current accounts                                                        | 635.03                   | 135.79                   |
| in deposit accounts with original maturity less than 3 months              | 275.00                   | 1,086.82                 |
| (ii) Cash on hand                                                          | 0.68                     | 3.55                     |
|                                                                            | -                        | -                        |
| <b>(b) Other Bank balances</b>                                             |                          |                          |
| (i) Unclaimed Dividend Account                                             | 1.30                     | 1.40                     |
| (ii) Short-term bank deposits with maturity between 3 months and 12 months | 104.16                   | -                        |
|                                                                            | <u>1,016.17</u>          | <u>1,227.56</u>          |
| <b>2.16 SHORT TERM LOANS AND ADVANCES</b>                                  |                          |                          |
| <b>Advances</b>                                                            |                          |                          |
| Considered Good                                                            | 2,915.18                 | 1,594.00                 |
| Considered Doubtful                                                        | -                        |                          |
| Less: Provision for Doubtful Advances                                      | -                        |                          |
|                                                                            | <u>2,915.18</u>          | <u>1,594.00</u>          |
| <b>2.17 OTHER CURRENT ASSETS</b>                                           |                          |                          |
| Contracts Purchased and Others                                             | 2,350.02                 | 2,463.98                 |
|                                                                            | <u>2,350.02</u>          | <u>2,463.98</u>          |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

| Particulars                                    | For the year ended<br>2012 | For the year ended<br>2011 |
|------------------------------------------------|----------------------------|----------------------------|
| <b>2.18 REVENUE FROM OPERATIONS</b>            |                            |                            |
| <b>Revenue from operations</b>                 |                            |                            |
| Billing Income                                 | 8,467.50                   | 8,878.38                   |
| Coding Income                                  | 4,098.84                   | 4,496.36                   |
| Medical Discrete Reportable Transcription      | 7,131.20                   | 304.22                     |
| Medical Transcription Income                   | 6,334.75                   | 19,255.48                  |
| Provision for No Longer Required               | 5.47                       | -                          |
| <b>Total Revenue from operations</b>           | <b>26,037.76</b>           | <b>32,934.44</b>           |
| <b>2.19 OTHER INCOME</b>                       |                            |                            |
| Interest Earned                                | 30.54                      | 132.01                     |
| Other Income                                   | 2.31                       | 8.71                       |
| Miscellaneous Income                           | 14.66                      | 39.33                      |
| Exchange fluctuation Income (net)              | -                          | 9.18                       |
|                                                | <b>47.51</b>               | <b>189.23</b>              |
| <b>2.20 EMPLOYEE BENEFITS EXPENSE</b>          |                            |                            |
| Salaries, Wages and Bonus                      | 15,100.21                  | 17,376.21                  |
| Contribution to Provident Fund and other Funds | 18.03                      | 24.95                      |
| Workmen and Staff Welfare                      | 41.74                      | 47.72                      |
|                                                | <b>15,159.98</b>           | <b>17,448.88</b>           |
| <b>2.21 FINANCE COSTS</b>                      |                            |                            |
| Interest expense on borrowing costs            | 376.95                     | 391.73                     |
| Others (Bank Charges )                         | 21.54                      | 16.52                      |
|                                                | <b>398.49</b>              | <b>408.25</b>              |
| <b>2.22 OTHER EXPENSES</b>                     |                            |                            |
| Amortisation of contracts                      | 2,479.08                   | 1,901.40                   |
| Advertisement                                  | 25.78                      | 21.12                      |
| Audit Fees                                     | 11.51                      | 11.27                      |
| Communication Charges                          | 120.44                     | 159.02                     |
| Power and Fuel                                 | 68.59                      | 69.30                      |
| Printing and Stationery                        | 13.11                      | -                          |
| Professional charges                           | 72.11                      | 53.06                      |
| Miscellaneous Expenses                         | 142.25                     | 360.09                     |
| Repairs and Maintenance                        | 86.59                      | 63.63                      |
| Rent                                           | 186.34                     | 205.57                     |
| Rates & Taxes                                  | 77.52                      | 37.77                      |
| Overseas Business Expenses                     | 1,984.05                   | 2,048.21                   |
| Training expenses                              | 166.79                     | 158.13                     |
| Contract expenditure                           | 337.64                     | 164.20                     |
| Insurance                                      | 12.96                      | 13.68                      |
| Investment Written Off                         | 3.81                       | -                          |
| Exchange Fluctuation (Net)                     | 71.55                      | -                          |
| Loss on sale of fixed assets                   | 19.02                      | -                          |
| Travelling Expenses                            | 210.96                     | 214.86                     |
|                                                | <b>6,090.10</b>            | <b>5,481.31</b>            |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

|                                                                                                 | As at 31st March<br>2012 | As at 31st March<br>2011 |
|-------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>2.23 CONTINGENT LIABILITIES:</b>                                                             |                          |                          |
| Estimated amounts of contracts remaining to be executed on capital account and not provided for | 3,845.00                 | 7,500.00                 |
| Claims under adjudication not acknowledged as debts:                                            |                          |                          |
| i) Demands raised by Income Tax, Excise & Service Tax Authorities                               | 58.01                    | 58.01                    |
| Contingent Liabilities:                                                                         |                          |                          |
| i) Bank & other Guarantees                                                                      | 15.91                    | 15.91                    |
| <b>2.24 AUDITORS REMUNERATION INCLUDES</b>                                                      |                          |                          |
| Audit Fees                                                                                      | 8.50                     | 8.50                     |
| Internal audit fees                                                                             | 0.75                     | 0.55                     |
| Tax audit Fees                                                                                  | 0.57                     | 0.57                     |
| Taxation Matters                                                                                | 0.50                     | 0.60                     |
| Other Services                                                                                  | 0.50                     | 0.50                     |
| Reimbursement of Expenses                                                                       | 0.69                     | 0.56                     |
|                                                                                                 | <b>11.51</b>             | <b>11.28</b>             |
| <b>2.25 BASIC &amp; DILUTED EARNINGS PER SHARE:</b>                                             |                          |                          |
| Earnings Per Share has been computed as under:                                                  |                          |                          |
| a) Profit After Taxation (Rs Lakhs)                                                             | 2,311.92                 | 7,534.97                 |
| b) Weighted Average Number of Equity Shares                                                     | 1,46,30,996              | 1,46,30,996              |
| c) Basic & Diluted Earnings Per Share (Rs.) (a)/(b)                                             | 15.76                    | 51.50                    |
| d) Nominal value of share (Rs.)                                                                 | 1,46,30,996              | 10.00                    |

**Note No. 2.26 : SIGNIFICANT ACCOUNTING POLICIES**

The presentation of the accounts is based on the Revised Schedule VI of the Companies Act, 1956, applicable from the current financial year. Accordingly, previous year figures are realigned to make it comparable with the current year. Assets & Liabilities are bifurcated into current and non-current based on 12 months period from the Balance Sheet date, as the Operating cycle of the Company is less than one year.

**A. Significant Accounting Policies**

**1. Accounting convention & concepts**

The financial statements are prepared under the historical cost convention on accrual basis in accordance with the Indian Generally Accepted Accounting Principles (IGAAP) comprising the Accounting standards Notified under Companies Accounting Standards Rules 2006 by the Central Government of India under section 211(3C) of the Companies Act 1956, Various pronouncements of the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 and guidelines issued by the Securities Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting policy hitherto in use.

**2. Use of Estimates**

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

**3. Basis of Consolidation**

The consolidated financial statements are prepared

in accordance with Accounting standard 21 on Consolidated Financial Statements and Accounting Standard 23 on Accounting for Investments in Associates in consolidated Financial statements notified under Companies Accounting Standards Rules 2006

The consolidated Financial statements are prepared on the following basis,

- i) The financial statements of the holding company, all subsidiaries and associates are prepared according to uniform accounting policies, in accordance with generally accepted accounting policies in India.
- ii) The financial statements of the holding company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and unrealized profits or losses thereon have been fully eliminated
- iii) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average of month end foreign exchange rate. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve
- iv) The financial statements of the subsidiaries are used in consolidation are drawn up to the same reporting date as that of the Holding Company
- v) The excess value of the consideration given over the net value of the identifiable assets acquired in the subsidiary companies is recognized as "Goodwill" under fixed assets and is not being amortized. Good will is tested for the impairment on a periodic basis and written off, if found impaired.
- vi) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- vii) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and equity of the company's shareholders.

viii) Subsidiaries included in Consolidation

| Name of the Enterprise              | Country of Incorporation | Nature of Business                       | Share holding/ Controlling Interest |
|-------------------------------------|--------------------------|------------------------------------------|-------------------------------------|
| Thunga Software Pvt Ltd             | India                    | Health Care BPO                          | 100%                                |
| GSR Systems Inc                     | U.S                      | Health Care BPO                          | 100%                                |
| GSR PBS Inc                         | U.S                      | Health Care BPO                          | 100%                                |
| DENMEDTranscription Services Inc    | U.S                      | Health Care BPO                          | 100%                                |
| AccentiaTechnologies FZE            | U.A.E                    | Health Care BPO                          | 100%                                |
| OAKTechnologies Inc                 | U.S                      | Health Care BPO                          | 100%                                |
| Accentia Education Services Pvt Ltd | India                    | Consultancy Services in education sector | 100%                                |

IX) Investment in Associates

|                              |     |                      |     |
|------------------------------|-----|----------------------|-----|
| StrategicTangent Corporation | USA | Software Development | 24% |
|------------------------------|-----|----------------------|-----|

Investment in associates have been accounted for using the equity method whereby the investments initially recorded at cost and adjusted thereafter for post acquisition change in the holding company's share of net assets. On acquisition of an associate, the goodwill/ capital reserve from such acquisition is included in the carrying value of the investment and also disclosed separately.

**4. Revenue Recognition**

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

**5. Fixed Assets**

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

Intangible assets are stated at the consideration paid for the purchase /acquisition less accumulated amortization.

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

**6. Depreciation**

Depreciation on Fixed Assets has been provided on straight-line method and for certain fixed assets at written down value method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on addition/deletion of assets during the year is provided on a pro-rata basis.

**7. Investments**

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

**8. Taxation**

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

**9. Foreign Exchange Transaction**

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

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

**10. Impairment**

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

**11. Deferred Revenue Expenditure**

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

**12. Provision for Contingent Liabilities and Contingent Assets**

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

**13. Earning per Share (EPS)**

The earning considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year duly adjusted for additional shares issued during the year, if any.

The number of shares used in computing diluted EPS comprises the weighted average number of equity shares considered for deriving basic EPS, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

**B. NOTESTO ACCOUNTS:**

1. The company has invested in Accentia Physician services a software development company which is in to development of software related to EMR and SaaS. During the current year investment made for acquiring 17.85% of the total shares of the company. The company has strategic investment plan to take over the full control of the company over a period of time.

**2. Segment Information (AS-17)**

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

**3. Related Party Transactions**

| RELATED PARTY                       | NATURE OF RELATIONSHIP   |
|-------------------------------------|--------------------------|
| Pradeep Viswambharan                | Key Management Personnel |
| Sooraj C. K.                        | Key Management Personnel |
| Dileep V                            | Key Management Personnel |
| V S Rajeev                          | Key Management Personnel |
| Ravi Sankar                         | Key Management Personnel |
| Thunga Software Pvt Ltd             | Subsidiary               |
| Accentia Technologies FZE           | Subsidiary               |
| GSR PBS Inc                         | Subsidiary               |
| GSR Systems Inc                     | Subsidiary               |
| Denmed Inc                          | Subsidiary               |
| OAK Technologies Inc                | Subsidiary               |
| Accentia Education Services Pvt Ltd | Subsidiary               |
| Strategic Tangent Corporation       | Associates               |

Nature and volume of transactions carried out with the above related parties in the ordinary course of business for the year ended March 31, 2011.

| Particulars                               | (₹ in lakhs) |         |
|-------------------------------------------|--------------|---------|
|                                           | 2011-12      | 2010-11 |
| Remuneration to Key Management Personnel  | 41.70        | 33.00   |
| Dividend Paid to Key Management Personnel | Nil          | 70.08   |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. In the opinion of the Board, the Current Assets, loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the financial statements.
5. Previous year figures have been regrouped, reclassified and rearranged wherever necessary to confirm to this year's classification.

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As per our report of even date attached

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

**CA. Durgesh Kabra**  
Partner  
Membership No. : 44075

For Accentia Technologies Ltd

**Pradeep Viswambharan**  
Managing Director & C E O

**Sooraj C K**  
Director

**Jayashree C O**  
Company Secretary

Navi Mumbai  
27.08.2012

## CONSOLIDATED CASH FLOW STATEMENT

₹ in lakhs

| Particulars                                                         | As at<br>31.03.2012 | As at<br>31.3.2011 |
|---------------------------------------------------------------------|---------------------|--------------------|
| <b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>                       |                     |                    |
| Net Profit before taxes and exceptional items                       | 2,568.89            | 8,531.29           |
| Depreciation                                                        | 1,867.82            | 1,253.95           |
| Interest Expense and Finance Charges                                | 398.49              | 391.73             |
| Exchange Fluctuation                                                |                     | (8.90)             |
| Interest and Dividend Income                                        | (30.54)             | (131.82)           |
| Non Cash Expenses                                                   | 2,607.59            | 1,901.40           |
| Operating profit/(loss) before Working capital changes              | 7,412.24            | 11,937.64          |
| Increase in Miscellaneous Assets to the extent of not written off   |                     | (1,798.00)         |
| Decrease in Sundry Debtors                                          | 341.39              | (2,218.07)         |
| Increase in Loans & Advances                                        | (3,879.64)          | (994.70)           |
| Decrease in Current Liabilities & Provisions                        | 419.02              | 489.27             |
| Income Tax paid during the year                                     | (254.00)            | (807.75)           |
| <b>NET CASH FROM OPERATIONS (A)</b>                                 | <b>4,039.00</b>     | <b>6,607.37</b>    |
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>                       |                     |                    |
| Purchase of Fixed Assets                                            | (3,282.63)          | (5,732.30)         |
| Purchase of Investments                                             | (1,190.29)          | (2,797.79)         |
| Sale of Investment                                                  |                     | 70.06              |
| Interest Expense                                                    | (362.56)            | (383.96)           |
| Interest and Dividend Income                                        | 30.54               | 131.82             |
| <b>NET CASH FROM INVESTING ACTIVITIES (B)</b>                       | <b>(4,804.94)</b>   | <b>(8,712.16)</b>  |
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>                       |                     |                    |
| Proceeds from Shares allotment on preferential basis                | 1,387.25            |                    |
| Proceeds from issue of share warrants                               | 86.74               |                    |
| Repayment of share warrants                                         | (774.46)            |                    |
| Net loan from the banks                                             | (145.00)            | 1,454.99           |
| Dividend Paid                                                       |                     | (438.93)           |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>                           | <b>554.53</b>       | <b>1,016.06</b>    |
| NET INCREASE IN CASH AND CASH EQUIVALENT (A+B+C)                    | (211.41)            | (1,088.72)         |
| CASH AND CASH EQUIVALENT AS AT BEGINNING OF THE YEAR                | 1,227.58            | 2,316.30           |
| CASH AND CASH EQUIVALENT AS AT THE END OF THE YEAR                  | 1,016.17            | 1,227.58           |
| Notes to the Cash Flow Statement for the year ended 31st March 2012 |                     |                    |

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

As per our report of even date attached

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

**CA. Durgesh Kabra**  
Partner  
Membership No. : 44075

For Accentia Technologies Ltd

**Pradeep Viswambharan**  
Managing Director & CEO

**Sooraj C K**  
Director

**Jayashree C O**  
Company Secretary

Navi Mumbai  
27.08.2012

**SUBSIDIARY COMPANIES' FINANCIAL HIGHLIGHTS – 2011-12**

₹ in lakhs

| <b>Particulars</b>                       | <b>Thunga Software Pvt. Ltd.</b> | <b>Denmed Inc.</b> | <b>GSR PBS Inc.</b> | <b>GSR Systems Inc.</b> | <b>Accentia Technologies FZE</b> | <b>Oak * Technologies Inc.</b> | <b>Accentia Education Services Ltd</b> |
|------------------------------------------|----------------------------------|--------------------|---------------------|-------------------------|----------------------------------|--------------------------------|----------------------------------------|
|                                          | <b>2011-12</b>                   | <b>2011-12</b>     | <b>2011-12</b>      | <b>2011-12</b>          | <b>2011-12</b>                   | <b>2011-12</b>                 | <b>2011-12</b>                         |
| 1. Capital                               | 230.43                           | 2.01               | 2.16                | 0.05                    | 12.33                            | 0.18                           | 1.00                                   |
| 2. Reserves                              | 419.77                           | 1,783.22           | 1,321.42            | 285.30                  | 13,097.37                        | 4,959.96                       | (124.71)                               |
| 3. Total Assets                          | 1,219.50                         | 2,028.00           | 5,954.25            | 294.56                  | 13,142.97                        | 7,320.27                       | 11.46                                  |
| 4. Total Liabilities                     | 1,219.50                         | 2,028.00           | 5,954.25            | 294.56                  | 13,142.97                        | 7,320.27                       | 11.46                                  |
| 5. Turnover                              | 390.36                           | 1,091.15           | 726.49              | 262.86                  | 7,394.77                         | 3,546.39                       | 11.46                                  |
| 6. Profit before Taxation                | (190.58)                         | (91.80)            | 116.60              | 30.74                   | 277.67                           | 277.67                         | (94.35)                                |
| 7. Provision for Taxation                | -                                | -                  | 34.98               | 9.22                    | -                                | 66.74                          |                                        |
| 8. Profit After Taxation                 | (190.58)                         | (91.80)            | 81.62               | 21.52                   | 1,596.09                         | 210.93                         | (94.35)                                |
| Reporting Currency                       | INR                              | USD                | USD                 | USD                     | AED                              | USD                            | INR                                    |
| Exchange Rate Used for Conversion        |                                  |                    |                     |                         |                                  |                                |                                        |
| - Average rate for P&L items             |                                  | 46.69              | 46.69               | 46.69                   | 13.17                            | 46.69                          |                                        |
| - Year end rates for Balance sheet Items |                                  | 51.16              | 51.16               | 51.16                   | 14.11                            | 51.16                          |                                        |

\* Comprises of Consolidated figures of Oak Technologies Inc and and its wholly-owned Subsidiary Accentia Oak Technologies Private Limited and Vasanth Scribes Inc

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty First Annual General Meeting of the members of Accentia Technologies Limited will be held on Friday, 28th day of September, 2012 at Hotel The Park, No. 1, Sector 10, CBD Belapur, Navi Mumbai, Maharashtra- 400614 at 9.30 A.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012, the Profit and Loss Account for the period ended on that date and the Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Kezer Abbas Kharawala, who retires by rotation on the date of the Twenty First Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Kabir Kewalramani, who retires by rotation on the date of the Twenty First Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors from the conclusion of the Twenty First Annual General Meeting to the conclusion of the Twenty Second Annual General Meeting on a remuneration to be fixed by the Board of Directors. The retiring auditors of the company, M/s. DMKH & Co, Chartered Accountants who are eligible for re-appointment have expressed their willingness to continue in office.

### SPECIAL BUSINESS

#### **Item No. 5. Allotment of Shares/Warrants to Promoters / PAC's, directors or key management personnel, non promoters and Institutions (domestic / overseas)**

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

#### **ALLOTMENT OF 23,93,574 EQUITY SHARES OF RS. 10 EACH AT RS 63.10 PER SHARE:-**

RESOLVED THAT in alteration and in continuation to the resolutions passed at the Extra Ordinary General Meeting of the Company held on 22nd March, 2012, in connection with the further issue of shares, the allotment of 23,93,574 equity shares of Rs. 10 each in the capital of the Company at a premium of Rs. 53.10/- per share (aggregating to Rs. 63.10 per share) to the persons as per the list below made by the Board of Directors of the Company at their meeting held on 5th June, 2012, be and is hereby approved:-

#### LIST OF ALLOTEES

| Name & Address of the Allottees | Category                         | Number of shares | Distinctive Numbers |
|---------------------------------|----------------------------------|------------------|---------------------|
| Mr. Rajeev.V.S                  | Promoter/PAC                     | 9,38,462         | 14630997 - 15569458 |
| Mr. Sooraj.C.K                  | Promoter                         | 4,58,312         | 15569459 - 16027770 |
| M/s. Berggruen AP               | Non Promoter - Foreign Corporate | 7,93,185         | 16027771 - 16820955 |
| M/s. PTL Re Cycladic Capital    | Non Promoter - Foreign Corporate | 2,03,615         | 16820956 - 17024570 |
|                                 | Total                            | 23,93,574        |                     |

#### **ALLOTMENT OF 559,615 CONVERTIBLE WARRANTS AT Rs. 63.10:**

RESOLVED THAT in alteration and in continuation to the resolutions passed at the Extra Ordinary General Meeting of the Company held on 22nd March, 2012, in connection with the issue of warrants, the allotment of 5,59,615 convertible warrants to be converted into 5,59,615 equity shares of Rs. 10 each in the capital of the Company at a premium of Rs. 53.10/- per share (aggregating to Rs. 63.10 per share) to the persons as per the list below made by the Board of Directors of the Company at their meeting held on 5th June, 2012, be and is hereby approved:-



| <b>Name of the Proposed Allottee</b> | <b>Category (Promoter/ Non - Promoter)</b> | <b>No. of Warrants / securities allotted</b> | <b>Distinctive Number</b> |
|--------------------------------------|--------------------------------------------|----------------------------------------------|---------------------------|
| Mr. Rajeev V.S.                      | Promoter/PAC                               | 3,23,745                                     | W000001 - W323745         |
| Mr. Sooraj C.K.                      | Promoter/PAC                               | 2,35,870                                     | W323746 – W 559615        |
|                                      | <b>Total</b>                               | <b>5,59,615</b>                              |                           |

FURTHER RESOLVED THAT the above allotments of shares and warrants is subject to the permission of the Bombay Stock Exchange Limited, on such terms and conditions as the Bombay Stock Exchange Limited may prescribe.

RESOLVED FURTHER THAT the issue and allotment of the said Equity shares and warrants on Preferential basis to the extent they relate to Non- Resident Indians (NRIs), Persons of Indian Origin (PIO)/ Overseas Corporate Bodies (OCBs) and other foreign investors of the Company will be subject to the approval of the Reserve Bank of India (RBI), as may be required.

For and on behalf of the Board  
Accentia Technologies Limited

Navi Mumbai  
27.08.2012

**Pradeep Viswambharan**  
Managing Director & CEO

## Notes

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. For appointing the proxy the enclosed proxy form duly filled, stamped and signed must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- Members/Proxies should bring the Attendance Slip sent here with, duly filled in and signed and hand over the same at the entrance of the hall for attending the meeting.
- Relevancy of question and the order of speakers will be decided by the Chairman. Members are requested to forward in writing to the Company any question on the Accounts, so as to reach the Registered Office one week before the date of the Annual General Meeting.
- The Register of Members and the Transfer Books of the company will remain closed from 23.09.2012 to 28.09.2012 ( both days inclusive)
- The copies of the relevant registers can be inspected at the Registered Office of the Company on any working day between 11.00 am and 1.00 pm
- Members whose shareholding is in the electronic mode are requested to intimate the change in address and updation of bank account details to their respective Depository Participants
- The Company's shares are presently listed at Bombay Stock Exchange.
- Explanatory Statement pursuant to Sec. 173(2) of the Companies Act, 1956 is annexed hereto.

**Item No. 5. Allotment of Shares/Warrants to Promoters / PAC's, directors or key management personnel, non promoters and Institutions (domestic / overseas)**

The extra ordinary general meeting of the company held on 22nd March, 2012, has approved the allotment of 24,25,000 Equity Shares of the face value of Rs. 10/- each to promoters and non promoters at an issue price of Rs. 62.00/- per equity share including a premium of Rs. 52.00 per share and up to 5,59,615 convertible warrants to promoters/ PAC's at an issue price of Rs. 62.00 /- per warrant by considering 26 weeks Average Price of weekly High & Low and last 2 weeks High & Low of the closing prices quoted on the Bombay Stock Exchange Limited. But as per BSE workings, the minimum applicable price as per SEBI (ICDR) works out to not less than Rs.63.07 per share.

And further two preferential allottees namely M/s. Berggruen AP and M/s. Cycladic Capital have expressed their inability to bring in the full allotment monies for the shares proposed to them in the preferential allotment due to the bad market conditions.

Based on the above, the board of directors has considered a share/ warrant price of Rs. 63.10/ per share/ warrant (face value of Rs. 10/- each and premium of Rs. 53.10/- per share/ warrant) and allotted only 7,93,185 equity shares to M/s. Berggruen AP and 2,03,615 equity shares to M/s. Cycladic Capital for the allotment money brought in by them into the company for the said preferential allotment as against the original proposal of 8,22,581 and 2,05,645 equity shares under the preferential basis respectively at a price of Rs. 63.10.

Further the company has given an undertaking to the BSE that the percentage holdings of the allottees post

preferential allotment consequent to the current preferential issue and the revised offer price (i.e. from Rs.62.00 per equity share or warrant to Rs.63.10 per equity share or warrant) will be disclosed as per Regulation 73(1)(e), in the next General Meeting of the Company. Consequent to the same, the Board presents the following details;

**1. The details of the allotment of shares/ warrants to Promoters / PAC's, directors or key management personnel, non promoters and Institutions (domestic / overseas) are as follows.**

**EQUITY SHARES OF Rs. 10 EACH AT Rs 63.10 PER SHARE:-**

| Sr no. | Name of the Proposed Allottees | Category                         | No. of shares    |
|--------|--------------------------------|----------------------------------|------------------|
| 1      | Rajeev V.S.                    | Promoter/PAC                     | 9,38,462         |
| 2      | Sooraj C.K                     | Promoter                         | 4,58,312         |
| 3      | Berggruen A.P, Mauritius       | Non Promoter - Foreign Corporate | 7,93,185         |
| 4      | Cycladic Capital LLP, U.K      | Non Promoter - Foreign Corporate | 2,03,615         |
|        |                                | <b>Total</b>                     | <b>23,93,574</b> |

**CONVERTIBLE WARRANTS AT Rs. 63.10 PER WARRANT**

| Sr no. | Name of the Proposed Allottees | Category     | No. of shares   |
|--------|--------------------------------|--------------|-----------------|
| 1      | Rajeev V.S.                    | Promoter/PAC | 3,23,745        |
| 2      | Sooraj C.K                     | Promoter     | 2,35,870        |
|        |                                | <b>Total</b> | <b>5,59,615</b> |

**2. The Shareholding pattern of the company before and after the proposed issue of equity shares and convertible share warrants is given below:-**

| Category                                                             | Pre - issue holding |                                                               | Allotment of Equity shares in Preferential Issue | Post - issue holding |                                                               | Conversion of warrants into Equity shares | Post Conversion Holding |                                                               |
|----------------------------------------------------------------------|---------------------|---------------------------------------------------------------|--------------------------------------------------|----------------------|---------------------------------------------------------------|-------------------------------------------|-------------------------|---------------------------------------------------------------|
|                                                                      | No. of Shares held  | Total share holding as a percentage of total number of shares |                                                  | No. of Shares held   | Total share holding as a percentage of total number of shares |                                           | No. of Shares held      | Total share holding as a percentage of total number of shares |
| Promoters                                                            | 23,36,294           | 15.97                                                         | 13,96,774                                        | 37,33,068            | 21.93%                                                        | 5,59,615                                  | 42,92,683               | 24.41%                                                        |
| Mutual Funds/<br>Financial Institutions<br>/Banks                    | 2,00,414            | 1.37                                                          | 0                                                | 2,00,414             | 1.18%                                                         | 0                                         | 2,00,414                | 1.14%                                                         |
| FII'S                                                                | 10,34,612           | 7.07                                                          | 0                                                | 10,34,612            | 6.08%                                                         | 0                                         | 10,34,612               | 5.88%                                                         |
| Bodies Corporate                                                     | 11,02,804           | 7.54                                                          | 9,96,800                                         | 20,99,604            | 12.33%                                                        | 0                                         | 20,99,604               | 11.94%                                                        |
| Individual share holding nominal value of share capital upto 1 lakh  | 25,62,725           | 17.52                                                         | -                                                | 25,62,725            | 15.05%                                                        | 0                                         | 25,62,725               | 14.57%                                                        |
| Individual share holding nominal value of share capital above 1 lakh | 44,45,843           | 30.39                                                         | -                                                | 44,45,843            | 26.11%                                                        | 0                                         | 44,45,843               | 25.28%                                                        |
| Others                                                               | 29,48,304           | 20.15                                                         | 0                                                | 29,48,304            | 17.32%                                                        | 0                                         | 29,48,304               | 16.78%                                                        |
| <b>Total</b>                                                         | <b>1,46,30,996</b>  | <b>100</b>                                                    | <b>23,93,574</b>                                 | <b>1,70,24,570</b>   | <b>100%</b>                                                   | <b>5,59,615</b>                           | <b>1,75,84,185</b>      | <b>100%</b>                                                   |

Notes with respect to shareholding pattern:

- The above shareholding pattern is prepared as on 30.06.2012.
- The post issue conversion shareholding pattern has been arrived on the assumption that the entire convertible share warrants issued to the Promoters / PAC's/ Non Promoters will be allotted.
- Post conversion pattern has been arrived on the assumption that the remaining non promoters proportion of holding remains the same.

### 3. Identity of proposed allottees and their pre & post issue shareholdings:-

#### EQUITY SHARES OF Rs. 10 EACH AT Rs 63.10 PER SHARE:-

| Sr no. | Name of the Proposed Allottees | Category                         | Pre issue Holding | In % age      | No. of shares Allotted | Post Issue Holding | In % age     |
|--------|--------------------------------|----------------------------------|-------------------|---------------|------------------------|--------------------|--------------|
| 1      | Rajeev V.S.                    | Promoter/PAC                     | 1,345             | .009          | 9,38,462               | 9,39,807           | 5.52         |
| 2      | Sooraj C.K                     | Promoter                         | 1,394             | .01           | 4,58,312               | 4,59,706           | 2.70         |
| 3      | Berggruen A.P, Mauritius       | Non Promoter - Foreign Corporate | 18,53,080         | 12.665        | 7,93,185               | 26,46,265          | 15.54        |
| 4      | Cycladic Capital LLP, U.K      | Non Promoter - Foreign Corporate | -                 | 0             | 2,03,615               | 2,03,615           | 1.20         |
|        |                                | <b>Total</b>                     | <b>18,55,819</b>  | <b>12.684</b> | <b>23,93,574</b>       | <b>42,49,393</b>   | <b>24.96</b> |

#### EQUITY SHARES OF Rs. 10 EACH AT Rs 63.10 PER SHARE:-

| Sr no. | Name of the Proposed Allottees | Category     | Pre issue Holding** | In % age    | No. of shares Allotted | Post Issue Holding | In % age     |
|--------|--------------------------------|--------------|---------------------|-------------|------------------------|--------------------|--------------|
| 1      | Rajeev V.S.                    | Promoter/PAC | 9,39,807            | 5.52        | 3,23,745               | 12,63,552          | 7.19         |
| 2      | Sooraj C.K                     | Promoter     | 4,59,706            | 2.7         | 2,35,870               | 6,95,576           | 3.96         |
|        |                                | <b>Total</b> | <b>13,99,513</b>    | <b>8.22</b> | <b>5,59,615</b>        | <b>19,59,128</b>   | <b>11.15</b> |

\*\* After considering the proposed preferential issue of equity shares

#### Memorandum of interest:

Mr. Sooraj C. K. being Whole time Director from Promoter Group is interested in this resolution. Mr. Pradeep Viswambharan, Managing Director & CEO being relative of Mr. Rajeev .V.S is interested in this resolution.

This resolution is placed before the members as per the undertaking given by the Company to the Bombay Stock Exchange on allotment of the above mentioned shares/ warrants and in continuation to the resolution placed before the General Meeting held on 22nd March, 2012, at the registered office of the Company

Your Directors recommend the resolution for your approval by way of a special resolution.

For and on behalf of the Board  
Accentia Technologies Limited

Navi Mumbai  
27.08.2012

**Pradeep Viswambharan**  
Managing Director & CEO

**ACCENTIA TECHNOLOGIES LIMITED**

*Registered office:*

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

**PROXY FORM**

Twenty First Annual General Meeting - 28<sup>th</sup> September, 2012

Regd. Folio No/ DP Client ID: \_\_\_\_\_

I / We \_\_\_\_\_, of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member / member(s) of the Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him/ her \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my / our proxy to vote for me / us on my/ our behalf at the Twenty First Annual General Meeting of the Company to be held at Hotel The Park Navi Mumbai, No 1, Sector 10, CBD Belapur, Navi Mumbai 400 614, Maharashtra, India at 9.30 A.M on Friday, September 28, 2012 and at any adjournment(s) thereof.

Signed this .....day of....., 2012

Affix Re.1  
Revenue  
Stamp

SIGNATURE \_\_\_\_\_

Note :

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



**ACCENTIA TECHNOLOGIES LIMITED**

*Registered office:*

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

**ATTENDANCE SLIP**

Twenty First Annual General Meeting - 28<sup>th</sup> September, 2012

Regd. Folio No/ DP Client ID: \_\_\_\_\_

No. of shares held \_\_\_\_\_

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

I hereby record my presence at the Twenty First Annual General Meeting of the Company to be held at Hotel The Park Navi Mumbai, No 1, Sector 10, CBD Belapur, Navi Mumbai 400 614, Maharashtra, India at 9.30 A.M on Friday, September 28, 2012.

\_\_\_\_\_  
Name of the member / proxy  
(in BLOCK letters)

\_\_\_\_\_  
Signature of the member/ proxy

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







## Accentia Technologies Limited

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

[info@accentia.com](mailto:info@accentia.com)

[www.accentia.com](http://www.accentia.com)