

AKSL/BSE/2016-17
6th October, 2016

The Executive Director,
BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Bldg., P.J.Towers,
Dalal Street, Mumbai 400 001

Dear Sir,

Sub.: Submission of Annual Report of the Company for the year 2015-16

Ref: Regulation 34 and all other applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

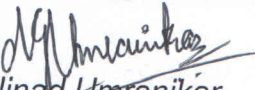
Annual Report:

We enclose herewith the 30th Annual Report of the Company for the year 2015-16.

Please take it on your record.

Thanking you.

Yours faithfully,
For **Accelya Kale Solutions Limited**



Ninad Umranikar
Company Secretary

Encl: As above.



ACCELYA
Complexity Simplified

Accelya Kale Solutions Limited

30th

Annual Report
2015-16

CORPORATE OFFICE & DEVELOPMENT CENTRE

Thane

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

DEVELOPMENT CENTRE

Pune

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

MPS

Mumbai

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

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

Pune

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

Goa

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

INTERNATIONAL OFFICES

USA

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

UK

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

Board of Directors

Philippe Lesueur	Chairman
Neela Bhattacharjee (*)	Managing Director
John Johnston (**)	Director
Vipul Jain (***)	Director
K.K. Nohria	Director
Sekhar Natarajan	Director
Nani Javeri	Director
Sangeeta Singh	Director

(*) Appointed as Managing Director w.e.f. 1st October, 2015

(**) Appointed as Non-Executive Director w.e.f. 14th August, 2015

(***) Appointed as Non-Executive Director w.e.f. 1st October, 2015

Auditor

B S R & Co., LLP
Chartered Accountants

Company Secretary

Ninad Umranikar

Bankers

State Bank of India
ICICI Bank Ltd.

Registered Office

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

Registrar and Share Transfer Agent

M/s. Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda Hyderabad - 500 032
Phone : +91 - 40 - 67162222
Fax : +91 - 40 - 23001153
Toll Free No.: 1800-345-4001

Letter to Shareholders 2

Financials Highlights 3

Directors' Report 4

Management Discussion and Analysis 35

Auditor's Report 40

Financial Statements 46

Consolidated Financial Statements 76

Salient Features of Subsidiaries 109

Shareholder Information 110

AGM Notice 113



Dear Shareholders,

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

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

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

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

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

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

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

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

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

Yours truly,

Neela Bhattacharjee
Managing Director

(Amount in ₹ Million)

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

To,

The Members,

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

FINANCIAL RESULTS (STANDALONE) ₹ in Million

Particulars	2015-16	2014-15
Total Revenue		
- Revenue from Services	3,097.15	2,722.76
- Other Income	98.93	148.63
Total	3,196.08	2,871.39
Total Expenditure	1,963.39	1,848.87
Profit before Tax and Exceptional Items	1,232.69	1,022.52
Exceptional Items	-	92.22
Profit Before Tax and After Exceptional Items	1,232.69	1,114.74
Provision for Tax		
- Current Tax	428.56	333.18
- Deferred Tax (Credit)/Charge	(2.78)	24.41
Profit After Tax	806.91	757.15
Profit brought forward from previous year	230.65	88.24
Profit available for appropriation	1,037.56	845.39
Appropriations:		
- Depreciation impact due to change in useful life as per schedule II of Companies Act, 2013	-	1.02
- Deferred tax on depreciation due to change in useful life as per schedule II of Companies Act, 2013	-	(0.35)
- Interim Dividend	223.89	164.19
- Proposed Dividend	447.79	373.16
- Dividend Distribution Tax	135.26	92.40
- Dividend Distribution Tax Credit	(4.08)	(15.68)
- Balance Carried Forward to Balance Sheet	234.70	230.65

DIVIDEND

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

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

OPERATING RESULTS

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

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

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

BUSINESS OPERATIONS

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

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

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

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

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

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

SUBSIDIARIES

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

The Company does not have any subsidiary in India.

The financial statements of the subsidiary companies shall be available for inspection by any shareholder at the registered office of the Company and of the subsidiary companies concerned. These documents can be requested by any shareholder of the Company. Further, in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the Accounting Standard 21 (AS-21), the Consolidated Financial Statements prepared by the Company include financial information of its subsidiaries.

BOARD OF DIRECTORS

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

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

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

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

Vipul Jain

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

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

Mr. Vipul Jain is B.Tech. from I.I.T., Kanpur and a Post Graduate in Management from IIM Ahmedabad. He was responsible for development and implementation of the country's first on-line Hotel Management System in 1982. He took on the marketing responsibility for the Company since its inception in 1986. In 1992, he took on the responsibility of Managing Director. The setting up of the airlines line of business at Accelya Kale was his initiative.

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

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

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

Neela Bhattacharjee

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

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

Philippe Lesueur

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

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

John Johnston

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

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a. in the preparation of the annual accounts for the year ended 30th June, 2016, the applicable accounting standards have been followed and there are no material departures from the same;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th June, 2016 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis;
- e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

HUMAN RESOURCE

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

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

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

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

POLICIES

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

RELATED PARTY TRANSACTIONS

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

VIGIL MECHANISM

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

through an email or by a phone call to the Ombudsperson appointed under the Policy.

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

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees.

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

RISK MANAGEMENT

The Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

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

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

AUDITORS

Statutory Auditors

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

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

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

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

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Secretarial Auditor

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

EXTRACT OF ANNUAL RETURN

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

CORPORATE GOVERNANCE

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

FIXED DEPOSITS

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

ACKNOWLEDGMENT

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

For and on behalf of the Board of Directors

Philippe Lesueur
Chairman
(DIN : 03327819)

Neela Bhattacharjee
Managing Director
(DIN : 01912483)

Place : Mumbai
Date : 3rd August, 2016

Annexure 'A'

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

PART A

1. Term of Appointment of Directors

A. Maximum Tenure of Independent Directors

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

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

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

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

B. Term of Other Directors

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

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

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

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

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

3. Criteria for Determining Qualifications of Directors

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

4. Positive Attributes

a) Integrity

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

b) Commitment

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

c) Compatibility

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

5. Criteria for Determining Independence of Directors

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

- (a) who is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) who, neither himself nor any of his relatives—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company; or
- (f) who possesses the qualifications prescribed in (1) above.

6. Evaluation of Performance of Independent Directors

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

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

PART B**Remuneration Policy****1. Objective**

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

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

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

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

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

2. Effective Date

This Policy is effective from 1 April 2014.

3. Remuneration

A. Independent Directors and Non-Executive Non-Independent Directors

a) Commission

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

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

b) Re-imbursement of out of pocket expenses

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

c) Sitting Fees

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

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

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

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

B. Remuneration to Managing Director

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

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

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

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

C. Remuneration to Key Managerial Personnel and Senior Management

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

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

D. Remuneration to other employees

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

4. Disclosures

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

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

- i) The ratio of remuneration of each director to the median employee's remuneration.
- ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary, in the financial year;
- iii) The percentage increase in the median remuneration of employees in the financial year;
- iv) The number of permanent employees on the rolls of the Company;
- v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;
- vi) Affirmation that the remuneration is as per the remuneration policy of the Company

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

Annexure 'B'

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

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

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

Note:

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

- ii) The percentage increase in the median remuneration of employees in the financial year 2015-16 was 9.96%.
- iii) The Company has 1,528 permanent employees on the rolls of the Company as on 30th June, 2016.
- iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 9.8% whereas the increase in the managerial remuneration was 22.95%. The managerial position compensation has been increased due to market comparison and change in the role.

The remuneration paid to Ms. Neela Bhattacharjee has been increased to bring it in line with the remuneration package paid to similar senior level appointees by other companies as also due to the change in her role.

- v) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Annexure 'C'

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2015-16
[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

Accelya Annual Report on Corporate Social Responsibility

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

CSA Introduction

CSA is a Not-For-Profit organization that has been in existence since 2002 and is dedicated to the cause of child welfare and rehabilitation for children living in orphanages.

CSA works as a “catalyst” focusing on a holistic approach to child care and optimal rehabilitation outcomes. CSA also promotes adoptions & believes that Adoption is the best form of rehabilitation for a child.

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

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

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

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

This project is envisaged over a period of 3 years.

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

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

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

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

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

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

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

The following activities were undertaken as part of project CAP:

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

2. Composition of the CSR Committee

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

	(₹ in million)
3. Average Net Profit of the Company for the last 3 financial years	1,187.95
4. Prescribed CSR expenditure	23.76
5. Details of CSR spent during the financial year 2015-16	
a. Total amount to be spent for the financial year	23.76
b. Total amount spent during the year	23.80
c. Amount unspent	NIL

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

Sr. No.	CSR Projects or activity identified	Sector in which the project is covered (*)	States covered	Amount Outlay	Amount spent on projects	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Project - SAMBHAV		Maharashtra, Goa & Odisha				CSA
	Health, Hygiene, Nutrition, Sanitation & Day to Day Essentials, Recreation	(i)		2.43	2.08	2.08	
	Infrastructure	(ii)		1.89	3.28	3.28	
	Education (School fees, uniforms, bags & books, tuition, lifeskills training)	(ii)		2.88	2.95	2.95	
	Vocation (training programs, exit preparation)	(ii)		0.69	0.28	0.28	
	CCI Capacity Building (CCI staff - caretakers etc., awareness & training programs)	(ii)		1.12	0.63	0.63	
	Module Development (Education continued and Vocation & Employment Linkages)	(ii)		1.30	1.30	1.30	
	CSA Field staff (Implementation & Monitoring)	(i) & (ii)		1.17	1.15	1.15	
	Travelling and Miscellaneous Expenses	(i) & (ii)		0.42	0.23	0.23	
	Total			11.90	11.90	11.90	
2	Project - Adoption	(iii)	Maharashtra, Goa, Odisha & MP	1.90	1.90	1.90	CSA
3	Corporate Expenses	(iii)		1.00	1.00	1.00	CSA
4	Corpus Fund to CSA	-		9.00	9.00	9.00	CSA
	Total			23.80	23.80	23.80	

Note (*):

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

6. CSR Committee Responsibility Statement

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

For and on behalf of the Board of Directors

Nani Javeri
Chairman of CSR Committee
DIN : 02731854

Neela Bhattacharjee
Managing Director
DIN : 01912483

Place : Mumbai
 Date : 3 August, 2016

Annexure 'D'

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended on 30th June, 2016

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

To,
The Members,
Accelya Kale Solutions Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Accelya Kale Solutions Limited** ('the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

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

Other laws applicable specifically to the Company, namely:

- 1) Software Technology Parks of India – Rules & Regulations

2) Information Technology Act, 2000

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

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

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

We further report that

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

We further report that

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

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

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

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

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

We further report that during the audit period:

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

**For C.S. Kelkar & Associates
Company Secretaries**

**C S Kelkar
Partner
C. P. No. : 1891
Membership No.: 2784**

Date: 14th July, 2016
Place: Pune

Annexure 'E'

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended 30th June, 2016

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
A) Category-wise Share Holding

Category of Shareholders	No. of Shares Held at the Beginning of the Year				No. of Shares Held at the End of the Year				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter and Promoter Group									
Indian									
Individual/HUF	-	-	-	-	-	-	-	-	-
Central Govt./State Govt(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total A(1) :	-	-	-	-	-	-	-	-	-
Foreign									
Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	11,143,295	-	11,143,295	74.66	11,143,295	0	11,143,295	74.66	0.00
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total A(2)	11,143,295	-	11,143,295	74.66	11,143,295	-	11,143,295	74.66	0.00
Total A=A(1)+A(2)	11,143,295	-	11,143,295	74.66	11,143,295	-	11,143,295	74.66	0.00
Public Shareholding									
Mutual Funds/UTI	404,202	-	404,202	2.71	605,411	-	605,411	4.06	1.35
Financial Institutions/Banks	7,808	400	8,208	0.05	7,869	400	8,269	0.06	0.01
Central Govt./State Govt(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors	560,051	50	560,101	3.75	523,818	50	523,868	3.51	(0.24)
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1)	972,061	450	972,511	6.51	1,137,098	450	1,137,548	7.62	1.11
Non-Institutions									
Bodies Corporate	501,352	300	501,652	3.36	444,007	300	444,307	2.97	(0.39)
Individuals									
(i) Individuals holding nominal share capital upto Rs.1 lakh	1,856,231	156,418	2,012,649	13.48	1,653,690	145,738	1,799,428	11.92	(1.56)
(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	119,097	-	119,097	0.80	192,326	-	192,326	1.42	0.62
Others									
Foreign Nationals	11,082	7,500	18,582	0.12	17,632	-	17,632	0.12	(0.00)
Clearing Members	8,209	-	8,209	0.05	4,228	-	4,228	0.03	(0.02)
Non Resident Indians	141,988	8,022	150,010	1.01	178,370	8,022	186,392	1.25	0.24
Trusts	256	-	256	-	1,105	-	1,105	0.01	0.01
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total B(2)	2,638,215	172,240	2,810,455	18.82	2,491,358	154,060	2,645,418	17.72	(1.10)
Total B=B(1)+B(2)	3,610,276	172,690	3,782,966	25.34	3,628,456	154,510	3,782,966	25.34	0.00
Total (A+B)	14,753,571	172,690	14,926,261	100.00	14,771,751	154,510	14,926,261	100.00	-
Shares held by custodians, against which Depository Receipts have been issued (C)	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C) :	14,753,571	172,690	14,926,261	100.00	14,771,751	154,510	14,926,261	100.00	-

B) Shareholding of Promoter

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

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

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

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

Sr. No.	Name	Shareholding at the beginning of the year		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding During the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	SBI Magnum Balanced Fund	354,777	2.38	30/06/2015			354,777	2.38
				03/07/2015	24,627	Purchase	379,404	2.54
				03/07/2015	(3,500)	Sale	375,904	2.52
				24/07/2015	(3,600)	Sale	372,304	2.49
				14/08/2015	23,380	Purchase	395,684	2.65
				21/08/2015	1,327	Purchase	397,011	2.66
				28/08/2015	20,775	Purchase	417,786	2.80
				04/09/2015	2,404	Purchase	420,190	2.82
				11/09/2015	33,567	Purchase	453,757	3.04
				02/10/2015	(8,850)	Sale	444,907	2.98
				09/10/2015	8,850	Purchase	453,757	3.04
				16/10/2015	25,921	Purchase	479,678	3.21
				16/10/2015	(23,771)	Sale	455,907	3.05
				04/12/2015	25,018	Purchase	480,925	3.22
				31/12/2015	47,469	Purchase	528,394	3.54
				29/01/2016	27,592	Purchase	555,986	3.72
				30/06/2016			555,986	3.72

Sr. No.	Name	Shareholding at the beginning of the year		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding During the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
2	VLS Finance Limited	296,900	1.99	30/06/2015			296,900	1.99
				03/07/2015	(296,000)	Sale	900	0.01
				14/08/2015	25,000	Purchase	25,900	0.17
				30/09/2015	3,100	Purchase	29,000	0.19
				31/12/2015	271,000	Purchase	300,000	2.01
				30/06/2016			300,000	2.01
				30/06/2016			300,000	2.01
3	Premier Investment Fund Limited	231,563	1.55	30/06/2015			231,563	1.55
				03/07/2015	(25,876)	Sale	205,687	1.38
				10/07/2015	1,276	Purchase	206,963	1.39
				17/07/2015	1,900	Purchase	208,863	1.40
				24/07/2015	5,000	Purchase	213,863	1.43
				14/08/2015	(20,775)	Sale	193,088	1.29
				28/08/2015	(9,500)	Sale	183,588	1.23
				04/09/2015	(9,900)	Sale	173,688	1.16
				11/09/2015	(15,060)	Sale	158,628	1.06
				30/10/2015	2,100	Purchase	160,728	1.08
				06/11/2015	2,000	Purchase	162,728	1.09
				20/11/2015	5,900	Purchase	168,628	1.13
				27/11/2015	2,800	Purchase	171,428	1.15
				04/12/2015	1,400	Purchase	172,828	1.16
				11/12/2015	22,100	Purchase	194,928	1.31
				08/01/2016	(5,146)	Sale	189,782	1.27
				15/01/2016	(1,000)	Sale	188,782	1.26
				22/01/2016	380	Purchase	189,162	1.27
				29/01/2016	(27,455)	Sale	161,707	1.08
				22/04/2016	(1,031)	Sale	160,676	1.08
				29/04/2016	(2,582)	Sale	158,094	1.06
				06/05/2016	133	Purchase	158,227	1.06
				13/05/2016	(2,490)	Sale	155,737	1.04
				20/05/2016	191	Purchase	155,928	1.04
27/05/2016	6,881	Purchase	162,809	1.09				
03/06/2016	3,091	Purchase	165,900	1.11				
17/06/2016	(6,830)	Sale	159,070	1.07				
24/06/2016	(4,535)	Sale	154,535	1.04				
30/06/2016			154,535	1.04				
4	Valuequest India Moat Fund Limited	115,928	0.78	30/06/2015			115,928	0.78
				13/05/2016	2,828	Purchase	118,756	0.80
				20/05/2016	2,040	Purchase	120,796	0.81
				27/05/2016	19,460	Purchase	140,256	0.94
				10/06/2016	2,671	Purchase	142,927	0.96
				24/06/2016	2,316	Purchase	145,243	0.97
				30/06/2016	2,600	Purchase	147,843	0.99
				30/06/2016			147,843	0.99
5	Somerset Emerging Markets Small Cap Fund LLC	87,231	0.58	30/06/2015			87,231	0.58
				03/07/2015	9,712	Purchase	96,943	0.65
				10/07/2015	2,657	Purchase	99,600	0.67
				17/07/2015	4,084	Purchase	103,684	0.69
				24/07/2015	2,718	Purchase	106,402	0.71
				31/07/2015	5,176	Purchase	111,578	0.75
				14/08/2015	8,970	Purchase	120,548	0.81
				30/06/2016			120,548	0.81
				30/06/2016			120,548	0.81

Sr. No.	Name	Shareholding at the beginning of the year		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding During the Year					
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company				
6	Eicher Goodearth Private Limited	46,600	0.31	30/06/2015			46,600	0.31				
				31/12/2015	(46,600)	Sale	0.00	0.00				
				30/06/2016			0.00	0.00				
7	Sundaram Mutual Fund A/C Sundaram Select Micro Cap	32,093	0.22	30/06/2015			32,093	0.22				
				30/06/2016			32,093	0.22				
8	SBI Pipe Fund - 1	0	0.00	30/06/2015			0.00	0.00				
				08/01/2016	7,829	Purchase	7,829	0.05				
				15/01/2016	3,491	Purchase	11,320	0.08				
				22/01/2016	4,583	Purchase	15,903	0.11				
				29/01/2016	217	Purchase	16,120	0.11				
				19/02/2016	3	Purchase	16,123	0.11				
				04/03/2016	374	Purchase	16,497	0.11				
				18/03/2016	2,231	Purchase	18,728	0.13				
				25/03/2016	400	Purchase	19,128	0.13				
				31/03/2016	1,674	Purchase	20,802	0.14				
				08/04/2016	1,200	Purchase	22,002	0.15				
				30/06/2016			22,002	0.15				
				9	National Westminster Bank Plc. As Depository of PFS	14,473	0.10	30/06/2015			14,473	0.10
								03/07/2015	1,612	Purchase	16,085	0.11
10/07/2015	340	Purchase	16,425					0.11				
17/07/2015	697	Purchase	17,122					0.11				
24/07/2015	463	Purchase	17,585					0.12				
31/07/2015	885	Purchase	18,470					0.12				
14/08/2015	1,534	Purchase	20,004					0.13				
30/06/2016			20,004					0.13				
10	Nimis Sheth	8,000	0.05					30/06/2015			8,000	0.05
				07/08/2015	4,453	Purchase	12,453	0.08				
				14/08/2015	47	Purchase	12,500	0.08				
				28/08/2015	1,350	Purchase	13,850	0.09				
				16/10/2015	1,350	Purchase	15,200	0.10				
				04/12/2015	450	Purchase	15,650	0.10				
				11/12/2015	450	Purchase	16,100	0.11				
				18/12/2015	1,530	Purchase	17,630	0.12				
				25/12/2015	90	Purchase	17,720	0.12				
				10/06/2016	1,920	Purchase	19,640	0.13				
				17/06/2016	60	Purchase	19,700	0.13				
				30/06/2016			19,700	0.13				
				11	Church Commissioners For England Re Somerset	13,915	0.09	30/06/2015			13,915	0.09
								03/07/2015	1,552	Purchase	15,467	0.10
10/07/2015	327	Purchase	15,794					0.11				
17/07/2015	670	Purchase	16,464					0.11				
24/07/2015	447	Purchase	16,911					0.11				
31/07/2015	853	Purchase	17,764					0.12				
14/08/2015	1,482	Purchase	19,246					0.13				
30/06/2016			19,246					0.13				
12	Hemant Chaudhry	17,649	0.12					30/06/2015			17,649	0.12
				12/02/2016	(234)	Sale	17,415	0.12				
				26/02/2016	34	Purchase	17,449	0.12				
				04/03/2016	(50)	Sale	17,399	0.12				
				18/03/2016	50	Purchase	17,449	0.12				
				30/06/2016			17,449	0.12				
13	Mawer Investment Management Ltd. A/c Mawer Global	17,599	0.12	30/06/2015			17,599	0.12				
				04/12/2015	(17,599)	Sale	0.00	0.00				
				30/06/2016			0.00	0.00				
14	Rangan Bhaumik	15,083	0.10	30/06/2015			15,083	0.10				
				30/06/2016			15,083	0.10				

E) Shareholding of Directors and Key Managerial Personnel:

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

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

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Vipul Jain	Neela Bhattacharjee	Total
		CEO & MD (Upto 30 Sep, 2015)	Whole-time Director from 5 Aug 2015 to 30 Sep, 2015 & MD from 1 Oct, 2015	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	4,629,603	7,334,781	11,964,384
		9,900	35,874	45,774
		-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	- - -	- - -	- - -
5	Others, please specify Fuel and Maintenance Driver Salary Insurance Telephone Medical Allowance Contribution to Provident Fund Leave Travel Allowance Incentive	- 125,244 9,615 11,288 214,650 309,096 100,000 11,900,000	137,442 175,500 33,360 - 108,710 434,839 80,000 1,759,000	137,442 300,744 42,975 11,288 323,360 743,935 180,000 13,659,000
	Total	17,309,396	10,099,506	27,408,902

B. Remuneration to other directors

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors							Total
		Sekhar Natarajan	K. K. Nohria	Nani Javeri	Sangeeta Singh	Philippe Lesueur	John Johnston	Vipul Jain (from 1 Oct 2015)	
		Independent Directors				Non-Executive Directors			
1	Fee for attending board & committee meetings	500,000	450,000	575,000	600,000	-	-	75,000	2,200,000
2	Commission	100,000	100,000	100,000	100,000	-	-	100,000	500,000
3	Others, please specify	-	-	-	-	-	-	-	-
	Total	600,000	550,000	675,000	700,000	-	-	175,000	2,700,000

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

(Amount in Rs.)

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Philippe Lesueur
 Chairman
 (DIN: 03327819)

Neela Bhattacharjee
 Managing Director
 (DIN: 01912483)

Place : Mumbai
 Date : 3rd August, 2016

Annexure 'F'

Conservation of Energy

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

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

Technology Absorption

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

Research and Development (R&D)

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

The total expenditure incurred on Research and Development during the year 2015-16 was Rs. 12.25 million.

Foreign exchange earning and outgo

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

For and on behalf of the Board of Directors

Philippe Lesueur
Chairman
(DIN: 03327819)

Neela Bhattacharjee
Managing Director
(DIN: 01912483)

Place : Mumbai
Date : 3rd August, 2016

Report on Corporate Governance

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

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

Board Composition

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

Board Meetings

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

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

Dates of Board Meetings

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

Attendance at Board Meetings and Last Annual General Meeting

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

Familiarisation Programme

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

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

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

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

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

Board Committees

Currently Board has six committees –

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

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

Composition of Committees

i) Audit Committee

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

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

(*) Chairman of the Committee

Terms of Reference

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - ii. Changes, if any, in accounting policies and practices and reasons for the same
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management

- iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft audit report
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- ii) Stakeholders Relationship Committee**

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

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

(*) Chairman of the Committee

Terms of Reference

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

Name and Designation of Compliance Officer

Ninad G. Umranikar – Company Secretary

iii) Nomination and Remuneration Committee

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

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

(*) Chairman of the Committee

Terms of Reference

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

Remuneration Policy

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

Remuneration to Managing Director

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

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

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

Stock Options

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

Service Contract, Notice Period and Severance Fees

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

Remuneration to Non-Executive Directors

Commission - Rs. 500,000/-

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

Commission of Rs. 100,000/- is paid to each independent director and non-executive director (other than Mr. John Johnston and Mr. Philippe Lesueur) subject to a maximum of 1% of the net profit of the Company. A sum of Rs. 25,000/- is paid to each independent director and non-executive director (other than Mr. John Johnston and Mr. Philippe Lesueur) for attending a meeting of the Board of Directors or Committee thereof (apart from Share Transfer Committee Meeting).

Stock Options to Non – Executive Directors

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

No. of equity shares held by Non – Executive Directors

As on 30th June, 2016, none of the non-executive directors held any equity share in the Company.

iv) Share Transfer Committee

Name of Director	Category
Mr. Philippe Lesueur	Non-Executive Director
Ms. Neela Bhattacharjee	Managing Director
Mr. Gurudas Shenoy	Chief Financial Officer
Mr. Ninad Umranikar	Company Secretary

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

Terms of Reference

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

v) Corporate Social Responsibility Committee

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

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

(*) Chairman of the Committee

Terms of reference

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

vi) Risk Management Committee

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

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

(*) Chairman of the Committee

Terms of reference

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

Quorum

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

Disclosures

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

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

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

Separate meeting of Independent Directors

The Independent Directors met once during the year to discuss:

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

Means of communication

Half yearly report sent to each household of Shareholder: No

Quarterly results:

Which newspapers normally published in: Financial Express & Loksatta

Any website where displayed: www.accelyakale.com

Whether it also displays official news releases and presentations made to institutional investors or to analysts: Yes

Whether MD&A is a part of annual report or not: Yes

Compliance with Governance Framework

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

- **Separate posts of Chairman and CEO:** The positions of the Chairman and the CEO are separate. The Non-Executive Chairman of the Company does not maintain office at the Company's expenses.
- **Shareholders rights:** The quarterly results alongwith the press release are uploaded on the website of the Company.
- **Audit qualifications:** Company's financial statements are unqualified.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.
- **Risk Management Committee:** The Board has formulated a Risk Management Committee.
- **Disclosure of commodity price risk and commodity hedging activities:** The Company is not dealing in commodities and hence disclosure relating to commodity price risk and commodity hedging activities is not required.

Shareholder Information

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

General Body Meetings

Particulars of Annual General Meetings held during last three years:

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

Special Resolution Passed
Special Resolution passed to re-appoint Mr. Vipul Jain as Managing Director of the Company and to fix his remuneration.
Special Resolution passed for payment of Commission to the non-executive independent directors of the Company.

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

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

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

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

DECLARATION

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

Neela Bhattacharjee
Managing Director
(DIN : 01912483)

Certificate of Corporate Governance

To the Members of
Accelya Kale Solutions Limited

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

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

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

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

For **Nilesh A. Pradhan & Co.**
Practicing Company Secretary

Nilesh A Pradhan
Proprietor
C. P. No: 3659

Place: Mumbai
Date : 3rdAugust, 2016

Safe Harbor Statement

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

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

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

INDUSTRY OUTLOOK:

GLOBAL TRAVEL SECTOR:

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

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

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

ACCELYA GROUP'S STRATEGY:

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

Accelya Group's vision is **"to be the market leader in financial and commercial solutions to airlines"**.

Accelya helps airlines integrate and simplify their financial processes; to better manage costs, risks, revenue leakages, cash flows, profitability and overall business performance. Accelya partners with airlines right from the time a ticket or an air waybill is issued, all the way through its entire financial lifecycle and until the data is converted to actionable intelligence.

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

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

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

ACCELYA KALE UPDATES:

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

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

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

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

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

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

ACCELYA KALE'S MAJOR OFFERINGS:

REVERA®- Revenue Accounting Solution: Accelya Kale has more than 25 years of experience in revenue accounting and helps airlines process over 527 million revenue accounting transactions annually. In this category we are considered to be one of the leaders in the industry.

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

Accelya Kale pioneered the concept of platform based BPO for the airline industry. This business model offers outsourced services on the REVERA platform and combines domain expertise with service orientation (as per SLAs). The company takes complete accountability of accuracy, timeliness and completeness of data.

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

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

FinesseFPS™ – Flight Profitability Solution: It is a multi-dimensional analytical tool which accurately assigns, measures and analyses costs and revenues at a flight level to report flight profitability.

Audit and Revenue Recovery Service: Accelya Kale is the leader in revenue recovery and protection services to airlines. Its audit services span across the entire ticket lifecycle from original booking through to the completion of the journey. This is supported by comprehensive recovery services — from raising of Agent Debit Memos (ADMs) to fund collection.

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

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

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

ACCELYA KALE'S STRENGTHS AND OPPORTUNITIES:

Business focus and expertise

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

Neutral service provider

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

Single vendor accountability

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

Relationship with customers

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

Pay as you use model

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

Shareholders' funds

Shareholders' funds increased from Rs.945.59 million to Rs.949.64 million during the year 2015-16.

Equity

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

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

Profit and Loss Account

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

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

General Reserves Account

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

Capital Redemption Reserve

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

Investment

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

Fixed Assets

Product Development

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

Other Fixed Assets

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

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

Sale/Disposal of Assets

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

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

Trade Receivables

Accelya Kale's Net Receivables as at June 30, 2016 amounted to Rs.363.71 million as compared to Rs.309.65 million as at June 30, 2015. These debtors are considered good and realisable.

The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates and general economic factors which could affect the customer's ability to settle and finally depending on the management's perception of the risk. The total provision for doubtful debts as at 30th June 2016 stands at Rs.5.97 million compared to Rs.11.69 million as at 30th June, 2015.

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

Non-current Liabilities

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

Current Liabilities

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

Result of Operations

Sale of services

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

Operating Profit

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

Profit after Tax

Accelya Kale recorded a PAT of Rs.806.91 million for the year ended 30th June, 2016.

Dividend

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

Accelya Kale recommended a final dividend of Rs.30 per share amounting to Rs.538.95 million (including Dividend Tax Rs.91.16 million).

IPR Assets and Amortisation

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

Details of IPR assets and amortisation are as follows:

Product IPR	Rs.Million
Opening Net Block	92.88
Additions	12.35
Deletions (Net)	30.92
Closing Net Block	74.31

RISKS, CONCERNS AND RISK MITIGATION:

Increasing competition

New providers and existing technology vendors are foraying into the airline IT and finance domain. At Accelya Kale, we are constantly investing in our people, solutions and processes to ensure maximum value to our customers. Our in-depth knowledge of the industry and its requirements make Accelya Kale the partner of choice for airlines.

Uncertain economic environment

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

Accelya Kale is in a good position to mitigate this risk. The company has customer base spread globally. The company has long term contracts with its customers. This generates annuity revenues and provides good visibility on business.

Regulatory Risk

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

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

Currency Volatility

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

Resource Availability

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

Human Capital

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

Some of these key metrics are shared below

Gender Diversity

Male	Female
63%	37%

Education Qualification and Skills

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

Total Experience

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

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

Leadership Capability Building

We subscribe to the philosophy that leadership is not something that happens without effort. It is a choice and a series of capabilities that improve with knowledge,

practice and focus. Thus, we have created leadership development programs that equip our leaders with the skills, knowledge and ability to lead teams effectively and deliver incremental results.

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

Providing Variety of Learning Opportunities:

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

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

Employee Engagement & Retention:

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

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

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

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

Gender Inclusivity and Women Leadership Development:

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

Independent Auditor's Report

To the Members of

Accelya Kale Solutions Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Accelya Kale Solutions Limited ("the Company"), which comprise the Balance Sheet as at 30 June 2016, the Statement of Profit and Loss, Cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid standalone financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash flow statement dealt by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors of the Company as on 30 June 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 30 June 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the standalone financial statements;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 40 and 47 to the standalone financial statements; and
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 3 August, 2016

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

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.
- (c) In our opinion and according to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is a service company, primarily rendering IT and IT enabled services. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of paragraph 3(iii) of the said Order are not applicable to the Company.
- (iv) The Company has not granted any loan, investment, guarantee and security to parties covered under Section 185 and 186 of the Act. Thus, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth tax, professional tax, sales-tax, service tax, cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, value added tax, wealth tax, service tax, Cess, professional tax and other material statutory dues were in arrears as at 30 June 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following dues of sales tax have not been deposited by the Company on account of dispute:

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

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, Government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place: Mumbai
Date : 3 August, 2016

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

(Referred to in our report of even date)

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **BSR & Co. LLP**

Chartered Accountants

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

Place: Mumbai

Date : 3 August, 2016

Bhavesh Dhupelia

Partner

Membership No: 042070

Balance sheet as at 30 June 2016	Note	30 June 2016 ₹	30 June 2015 ₹
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	149,268,660	149,268,660
Reserves and surplus	4	<u>800,376,089</u>	<u>796,322,667</u>
		949,644,749	945,591,327
Non-current liabilities			
Other long-term liabilities	5	16,470,452	16,044,970
Long-term provisions	6	<u>49,062,697</u>	<u>47,828,633</u>
		65,533,149	63,873,603
Current liabilities			
Trade payables			
- Dues of micro and small enterprises	7	-	-
- Dues of creditors other than micro and small enterprises	7	89,065,217	107,562,016
Other current liabilities	8	80,058,092	123,454,144
Short-term provisions	9	<u>758,663,264</u>	<u>633,348,253</u>
		927,786,573	864,364,413
TOTAL		<u>1,942,964,471</u>	<u>1,873,829,343</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	10	186,715,307	173,528,165
Intangible fixed assets	11	163,527,502	117,014,792
Capital work-in-progress	10	429,270	181,760
Intangible assets under development	11	125,000	217,957
Non-current investments	12	474,154,544	474,154,544
Deferred tax assets (net)	13	34,414,350	31,635,206
Long-term loans and advances	14	93,257,795	90,537,198
Other non-current assets	15	<u>11,555,798</u>	<u>483,035</u>
		964,179,566	887,752,657
Current assets			
Current investments	16	241,338,977	373,038,928
Trade receivables	17	363,710,388	309,651,015
Cash and bank balances	18	38,428,697	52,532,156
Short-term loans and advances	19	78,802,616	56,841,284
Other current assets	20	<u>256,504,227</u>	<u>194,013,303</u>
		978,784,905	986,076,686
TOTAL		<u>1,942,964,471</u>	<u>1,873,829,343</u>
Significant accounting policies	2		

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

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 3 August, 2016

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

Philippe Lesueur
Chairman
DIN: 03327819

Neela Bhattacharjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 3 August, 2016

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

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

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 3 August, 2016

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

Philippe Lesueur
Chairman
DIN: 03327819

Neela Bhattacharjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 3 August, 2016

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

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

*The company can utilize this balance only towards settlement of unclaimed dividend.

As per our report of even date attached

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 3 August, 2016

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

Philippe Lesueur
Chairman
DIN: 03327819

Neela Bhattacharjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 3 August, 2016

Notes to the financial statements

1. Background

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

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

2. Summary of significant accounting policies

a) *Basis of preparation of financial statements*

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

b) *Use of estimates*

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

c) *Current and non-current classification*

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

Notes to the financial statements

Current liabilities include current portion of non current financial liabilities.

All other liabilities are classified as non current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Generally twelve months is considered as an operating cycle.

d) Revenue recognition

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

Revenues from transaction processing service i.e. airline ticket and coupon processing charges, is recognized based on the rates fixed in the contract with customers based on the work completed and where there is no uncertainty as to measurability or collectability of that amount.

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

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

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

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

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

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

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

e) Fixed assets and depreciation (including intangible asset and amortisation)

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

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

Depreciation on fixed assets is provided pro rata for the period of use based on management's best estimate of useful lives of the assets. The useful life of the assets consider for depreciation is summarized below:

Building	30 years
Plant and machinery and computer equipment	3 to 6 years
Furniture and Fixture, Equipment and other Assets	4 to 6 years
Software Acquired/ developed	3 to 5 years
Vehicles	5 years
Lease hold improvement	To be amortized over the lesser of the period of lease and the useful life of the asset

Notes to the financial statements

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

f) *Research and Development cost*

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

g) *Asset impairment*

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

h) *Investments*

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

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

i) *Leases*

Operating lease

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

Finance Lease

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

j) *Foreign currency transactions*

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

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

Translation of foreign operations

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

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

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

Notes to the financial statements

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

Derivative instruments

Forward foreign exchange contracts and other derivatives are not covered by Accounting standard (AS) 11 and relates to a firm commitment or highly probable forecasted transactions, these contracts are marked to market as on the reporting date and loss on these contracts are charged to the statement of profit and loss.

k) **Employee benefits**

Defined Contribution Plan

Company's contributions during the year to Provident Fund administered by government authority, are recognized in the statement of profit and loss.

Defined Benefit Plan

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

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

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

l) **Income taxes**

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

Current taxes

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

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

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

Notes to the financial statements

Deferred taxes

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

m) Earnings per share ('EPS')

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

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

n) Provisions and contingent liabilities

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

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

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

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

o) Onerous contracts

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

Notes to the financial statements

	30 June 2016 ₹	30 June 2015 ₹
3 SHARE CAPITAL		
<i>Authorised</i>		
20,200,000 (30 June 2015: 20,200,000) equity shares of ₹ 10 each	202,000,000	202,000,000
<i>Issued, subscribed and paid-up</i>		
14,926,261 (30 June 2015: 14,926,261) equity shares of ₹ 10 each fully paid up	149,262,610	149,262,610
Forfeited shares	6,050	6,050
Total issued, subscribed and paid-up	149,268,660	149,268,660

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

Equity shares

	30 June 2016		30 June 2015	
	No. of shares	₹	No. of shares	₹
At the beginning and end of year	14,926,261	149,262,610	14,926,261	149,262,610

b. Right, preference and restriction attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting right of an equity shareholder on a poll (not on show of hands) is in proportion to its share of the paid-up equity capital of the Company. Voting right cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. During the year the Company has declared interim dividend and proposed final dividend of ₹ 15 and ₹ 30 respectively per equity share of ₹ 10 each.

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

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

c. Shares held by holding company

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

	30 June 2016 ₹	30 June 2015 ₹
Accelya Holding World S.L.U.		
11,143,295 (30 June 2015: 11,143,295) equity shares of ₹ 10 each fully paid	111,432,950	111,432,950

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

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

Notes to the financial statements

3 SHARE CAPITAL (continued)

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

During the five year period ended 30 June 2016

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

4 RESERVES AND SURPLUS

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

5 OTHER LONG-TERM LIABILITIES

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

Notes to the financial statements

6 LONG-TERM PROVISIONS

	Non current portion		Current portion (Refer to note 9)	
	30 June 2016 ₹	30 June 2015 ₹	30 June 2016 ₹	30 June 2015 ₹
Provision for employee benefit				
- Leave encashment (refer to note 34)	49,062,697	47,828,633	15,703,612	16,323,973
	<u>49,062,697</u>	<u>47,828,633</u>	<u>15,703,612</u>	<u>16,323,973</u>

7 TRADE PAYABLES

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

8 OTHER CURRENT LIABILITIES

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

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

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

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

Notes to the financial statements

10 TANGIBLE FIXED ASSETS

	Building	Plant and machinery and computer equipment	Furniture and fixture	Vehicle	Total
	₹	₹	₹	₹	₹
Gross block (at cost)					
As at 1 July 2014	63,259,128	397,711,597	60,354,784	15,094,242	536,419,751
Additions during the year	-	57,991,906	4,926,586	-	62,918,492
Deletions/ disposals	-	27,927,311	12,651,127	-	40,578,438
As at 30 June 2015	<u>63,259,128</u>	<u>427,776,192</u>	<u>52,630,243</u>	<u>15,094,242</u>	<u>558,759,805</u>
Additions during the year	-	88,484,168	6,274,476	2,646,181	97,404,825
Deletions/ disposals	-	8,454,490	512,482	7,377,990	16,344,962
As at 30 June 2016	<u>63,259,128</u>	<u>507,805,870</u>	<u>58,392,237</u>	<u>10,362,433</u>	<u>639,819,668</u>
Accumulated depreciation					
As at 1 July 2014	32,505,184	247,422,166	48,687,896	11,734,822	340,350,068
Charge for the year	2,108,638	75,700,560	4,513,262	1,557,032	83,879,492
Adjustment for retained earnings (refer to note 41)	-	1,016,247	-	-	1,016,247
Deletions/ disposals	-	27,403,968	12,610,199	-	40,014,167
As at 30 June 2015	<u>34,613,822</u>	<u>296,735,005</u>	<u>40,590,959</u>	<u>13,291,854</u>	<u>385,231,640</u>
Charge for the year	2,108,638	74,856,410	5,153,880	774,342	82,893,270
Deletions/ disposals	-	8,463,229	512,482	6,044,838	15,020,549
As at 30 June 2016	<u>36,722,460</u>	<u>363,128,186</u>	<u>45,232,357</u>	<u>8,021,358</u>	<u>453,104,361</u>
Net block					
As at 30 June 2015	<u>28,645,306</u>	<u>131,041,187</u>	<u>12,039,284</u>	<u>1,802,388</u>	<u>173,528,165</u>
As at 30 June 2016	<u>26,536,668</u>	<u>144,677,684</u>	<u>13,159,880</u>	<u>2,341,075</u>	<u>186,715,307</u>

a) Note for change in useful life

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

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

Notes to the financial statements

11 INTANGIBLE FIXED ASSETS

	Internally developed software ₹	Acquired software ₹	Total ₹
Gross block (at cost)			
As at 1 July 2014	328,732,261	235,553,446	564,285,707
Purchase/ internal development	28,807,765	14,287,970	43,095,735
Deletions/ disposals	-	-	-
As at 30 June 2015	357,540,026	249,841,416	607,381,442
Purchase/ internal development	12,345,946	84,039,451	96,385,397
Deletions/ disposals	-	-	-
As at 30 June 2016	369,885,972	333,880,867	703,766,839
Accumulated amortisation			
As at 1 July 2014	233,933,819	207,397,265	441,331,084
Charge for the year	30,721,480	18,314,086	49,035,566
Deletions/ disposals	-	-	-
As at 30 June 2015	264,655,299	225,711,351	490,366,650
Charge for the year	30,915,790	18,956,897	49,872,687
Deletions/ disposals	-	-	-
As at 30 June 2016	295,571,089	244,668,248	540,239,337
Net block			
As at 30 June 2015	92,884,727	24,130,065	117,014,792
As at 30 June 2016	74,314,883	89,212,619	163,527,502

Intangible assets under development

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

Notes to the financial statements	30 June 2016 ₹	30 June 2015 ₹
12 NON-CURRENT INVESTMENTS		
Trade investments (unquoted at cost, unless otherwise stated)		
Investment in equity instruments of subsidiaries		
1,300,000 (30 June 2015: 1,300,000) Class A voting common stock of Kale Softech Inc. of USD 0.01 each fully paid up	57,979,585	57,979,585
111,000 (30 June 2015: 111,000) ordinary shares of Zero Octa UK Ltd. of GBP 0.01 each fully paid up (Refer to note 42)	416,114,959	416,114,959
Investments in Shares of Co-operative Banks		
Rupee Co-operative Bank Limited		
5,000 equity shares of ₹10 each fully paid up (30 June 2015: 5,000 equity shares of ₹10 each fully paid up)	50,000	50,000
Saraswat Co-operative Bank Limited		
1,000 equity shares of ₹10 each fully paid up (30 June 2015: 1,000 equity shares of ₹10 each fully paid up)	10,000	10,000
	<u>474,154,544</u>	<u>474,154,544</u>
13 DEFERRED TAX ASSETS (NET)		
Deferred tax assets		
Provision for leave encashment	22,566,114	22,373,764
Provision for doubtful debts	2,325,868	4,303,880
Future tax deductible expenses	10,581,376	6,286,613
	<u>35,473,358</u>	<u>32,964,257</u>
Deferred tax liabilities		
Difference between tax and book value of fixed assets	(1,059,008)	(1,329,051)
	<u>(1,059,008)</u>	<u>(1,329,051)</u>
Deferred tax assets (net)	<u>34,414,350</u>	<u>31,635,206</u>

Notes to the financial statements

14 LONG TERM LOANS AND ADVANCES

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

15 OTHER NON-CURRENT ASSETS

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

Margin money deposits

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

Discount in advance

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

16 CURRENT INVESTMENT

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

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

18 CASH AND BANK BALANCES

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

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

Margin money deposits

Margin money deposit represents deposit with banks for issue of bank guarantees to various authorities amounting to ₹ 3,423,069 (30 June 2015: ₹ 3,496,244) which are due to mature within twelve months of the reporting date.

Due after 12 months (refer note 15)	617,123	412,370
---	---------	---------

19 SHORT TERM LOANS AND ADVANCES

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

Notes to the financial statements	30 June 2016 ₹	30 June 2015 ₹
20 OTHER CURRENT ASSETS		
Interest accrued on bank deposits	117,599	231,371
Discount in advance	1,944,576	-
Unbilled revenue (refer to note 36 and 39)	<u>254,442,052</u>	<u>193,781,932</u>
	<u>256,504,227</u>	<u>194,013,303</u>
Discount in advance		
Discount in advance represent discount given to customer to be amortised over the period of contract.		
Unbilled revenue include:		
Revenue from subsidiaries and group companies in which director and member are interested(Refer to note 36)	117,572,598	67,910,064
	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
21 SALES OF SOFTWARE SERVICES AND PRODUCTS		
Sale of services	3,095,471,053	2,720,476,161
Other operating revenue		
Reimbursements from clients	<u>1,680,993</u>	<u>2,287,195</u>
	<u>3,097,152,046</u>	<u>2,722,763,356</u>
22 OTHER INCOME		
Interest on bank deposits	352,042	919,594
Interest on income tax refunds (refer to note 43)	-	5,995,211
Foreign exchange gain (net)	35,316,231	27,503,389
Credit balances written back	29,038,273	586,018
Dividend from subsidiary	19,500,000	92,241,850
Dividend from mutual funds	11,301,542	11,790,172
Profit on sale of asset, net	-	337,990
Miscellaneous income	3,424,300	9,251,468
	<u>98,932,388</u>	<u>148,625,692</u>
23 EMPLOYEE BENEFITS EXPENSES		
Salaries and incentives	1,214,840,479	1,103,379,378
Contribution to provident fund and other funds	37,161,808	33,792,047
Staff welfare expenses	41,145,923	39,582,083
Gratuity (refer to note 34)	<u>14,001,382</u>	<u>11,552,064</u>
	<u>1,307,149,592</u>	<u>1,188,305,572</u>
24 FINANCE COSTS		
Bank charges	<u>6,010,776</u>	4,269,704
	<u>6,010,776</u>	<u>4,269,704</u>
25 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on tangible fixed assets	82,893,270	83,879,492
Amortization on intangible fixed assets	<u>49,872,687</u>	<u>49,035,566</u>
	<u>132,765,957</u>	<u>132,915,058</u>

Notes to the financial statements	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
26 OTHER EXPENSES		
Advertisement and sales promotion	28,435,468	20,499,644
Auditor's remuneration (refer below)	5,723,806	5,068,451
Commission and brokerage	5,910,806	23,962,112
Communication charges	18,963,036	17,479,044
Computer consumables	935,250	359,462
Connectivity charges	14,872,311	10,979,163
Data processing charges	11,890,921	12,051,916
Director's commission	500,000	400,000
Director's sitting and committee fees	2,205,250	1,391,000
Contribution to corporate social responsibility (refer to note 44)	23,800,000	19,000,000
Insurance	3,837,509	3,747,582
Legal and professional fees	21,293,825	10,887,954
Management fees	29,274,264	24,270,351
Membership and subscription	7,751,912	5,811,568
Miscellaneous expenses	27,360,040	25,667,822
Power, fuel and water charges	31,154,987	29,057,538
Printing and stationery	1,942,219	2,151,917
(Reversal)/provision for doubtful debts	(5,715,477)	3,506,081
Bad debt written off	5,746,113	9,444,800
Rates and taxes	2,113,289	14,764,050
Loss on sale of fixed assets, net	366,013	-
Recruitment expenses	2,138,463	2,848,361
Rent (refer to note 37)	74,091,768	75,161,267
Repair and maintenance :		
-Machinery	4,567,767	6,623,737
-Others	18,326,194	17,477,330
Software and maintenance	55,536,217	50,134,416
Technical consultants charges	69,488,399	86,862,129
Travelling and conveyance	67,206,911	62,407,593
	529,717,261	542,015,288
Auditor's remuneration		
Statutory audit fees	5,200,000	4,425,000
Other services (tax audit, certification and others)	200,000	475,000
Reimbursement of expenses	323,806	168,451
	5,723,806	5,068,451

Notes to the financial statements	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
27 PRODUCT DEVELOPMENT COST CAPITALISED		
Payroll cost	12,249,115	15,397,354
Technical consultants charges	-	2,994,558
Other direct cost	3,850	248,369
	<u>12,252,965</u>	<u>18,640,281</u>
28 EARNING PER EQUITY SHARE (EPS)		
Number of shares (face value ₹ 10 each)	14,926,261	14,926,261
Profit after tax	806,910,594	757,153,855
Weighted average number of shares considered for basic EPS	14,926,261	14,926,261
Weighted average number of shares considered for diluted EPS	14,926,261	14,926,261
Basic and diluted EPS:		
Basic earnings per share	54.06	50.73
Diluted earnings per share	54.06	50.73
29 CAPITAL AND OTHER COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	21,498,082	508,995
30 CONTINGENT LIABILITIES		
Claims against the Company pertaining to Sales Tax with Asst. Commissioner of Sales Tax, (Appeals) - For F.Y. 2001-02 (disallowance of Software services and maintenance of software)	7,870,739	7,870,739
Contingent liability on account of rejection of refund of cenvat credit by Service Tax Department for which an appeal has been filed.		
Claim against Company not acknowledge as debt.	17,875,311	14,724,976
The Company has reviewed all its pending litigation and proceedings and has adequately provided where provision are required. The Company has disclosed contingent liabilities wherever applicable. The resolution of these legal proceedings is not likely to have a material and adverse effect on the results of operations or the financial position of the Company.		
31 EARNINGS IN FOREIGN CURRENCY		
Sale of software and services	2,767,611,464	2,429,740,525
Dividend income	19,500,000	92,241,850
Reimbursements from clients	1,680,993	2,287,195
	<u>2,788,792,457</u>	<u>2,524,269,570</u>

Notes to the financial statements

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

33 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

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

Notes to the financial statements

34 RETIREMENT BENEFITS TO EMPLOYEES

Gratuity

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

Changes in present value of obligations

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

Notes to the financial statements

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

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

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

Leave encashment

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

Principal actuarial assumptions

	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
Rate of discounting	7.70%	8.10%
Rate of increase in salary cost to company	10.00%	11.00%
Attrition rate	13.00%	13.00%
Mortality	Indian Assured Lives Mortality (2006-08) ultimate 58 years	Indian Assured Lives Mortality (2006-08) ultimate 58 years
Normal retirement age		

Provident Fund

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to ₹ 32,322,871 (2015: ₹ 28,948,311).

35 SEGMENTAL REPORTING

In accordance with paragraph 4 of Accounting Standard 17 “Segment Reporting” prescribed in the Companies (Accounting Standards) Rules, 2006, issued by the Central Government, the Company has presented segmental information only on the basis of the consolidated financial statements (refer note 33 of consolidated financial statements).

Notes to the financial statements

36 RELATED PARTY TRANSACTIONS

(A) Related party disclosures

Related parties where control exists	Name	Holdings in %
Holding company	Accelya Holding World SLU	
Fellow subsidiary	Accelya World SLU Accelya UK Limited Accelya France SAS Accelya America, S.A. de C.V.	
Subsidiaries	Kale Softech Inc Kale Revenue Assurance Services Limited (refer note 42) Zero Octa UK Limited	100% 100% 100%
Key management personnel	Philippe Lesueur - Chairman Vipul Jain* - Managing Director (till 30 September 2015) Neela Bhattacharjee* - Managing Director (w.e.f. 1 October 2015) Gurudas Shenoy - Chief Financial Officer Ninad Umranikar - Company Secretary	
Other related party	Catalysts for Social Action	

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

(B) Transactions with related parties

(Amount ₹)

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

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

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

37 LEASES
Operating lease

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

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

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

Notes to the financial statements

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

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

Particulars	As at 30 June 2016 ₹	As at 30 June 2015 ₹
Principal amount and the interest due thereon remaining unpaid to any supplier as at the year end	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible	-	-

39 Unbilled revenue include revenue based on percentage of completion basis ₹ 53,361,664 (previous year ₹ 19,989,099)

40 DERIVATIVE INSTRUMENT

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

i. Outstanding derivative instruments

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

Notes to the financial statements
40 DERIVATIVE INSTRUMENT (Continued)
II. Unhedged Foreign Currency exposures

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

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

42 Liquidation of Kale Revenue Assurance Services Limited

During the previous year, Kale Revenue Assurance Services Limited ("KRAS"), wholly owned subsidiary of the Company in the United Kingdom, was placed under Members Voluntary Liquidation ("MVL") with effect from 20 May 2015 vide board resolution passed by the Board of Directors of KRAS on 30 April 2015. The effective date of liquidation was 20 May 2015, the date on which the shareholders of KRAS passed the resolution for voluntary liquidation. All the assets and liabilities of KRAS were transferred to the liquidator approved by the board. The liquidator transferred entire issued capital of Zero Octa UK Ltd. ("ZOUK") and other assets and liabilities of the company, being the owner of KRAS.

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

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

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

Notes to the financial statements

44 Corporate Social Responsibility

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

The company has implemented CSR activities through Catalysts for Social Action ("CSA") a Not-For-Profit organization dedicated to the cause of child welfare and rehabilitation for children living in orphanages. The total amount spent by the Company through CSA is ₹ 23,800,000 (previous year: ₹ 19,000,000)

Amount in ₹

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

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

Amount in ₹

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

46 The Company's management is of the opinion that its international transactions with related parties are at arms length and that the Company is in compliance with the transfer pricing legislation. Based on the above, the Company's management believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of the provision for tax.

47 Long term contracts

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

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

49 Other matters

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

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

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

Philippe Lesueur
Chairman
DIN: 03327819

Neela Bhattacharjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 3 August, 2016

Place : Mumbai
Date : 3 August, 2016

Independent Auditor's Report

To the Members of
Accelya Kale Solutions Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Accelya Kale Solutions Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 30 June 2016 and the Consolidated Statement of Profit and Loss and the Consolidated Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors of the Holding Company as on 30 June 2016, and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 30 June 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial statements of the Group – Refer Note 30 to the consolidated financial statements;
 - (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 45 and 46 to the consolidated financial statements; and
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place: Mumbai
Date : 3 August, 2016

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

(Referred to in our report of even date)

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Other Matters

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

For **BSR & Co. LLP**

Chartered Accountants

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

Place: Mumbai

Date : 3 August, 2016

Bhavesh Dhupelia

Partner

Membership No: 042070

Consolidated Financial Statements

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

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

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 3 August, 2016

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

Philippe Lesueur **Neela Bhattacharjee**
Chairman Managing Director
DIN: 03327819 DIN: 01912483

Gurudas Shenoy **Ninad Umranikar**
Chief Financial Officer Company Secretary
ACS 14201

Place : Mumbai
Date : 3 August, 2016

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

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

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 3 August, 2016

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

Philippe Lesueur
Chairman
DIN: 03327819

Neela Bhattacharjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 3 August, 2016

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

Consolidated cash flow statement (contd.) for the year ended 30 June 2016	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
Cash flow from financing activities		
Dividend paid (including tax thereon)	(689,914,276)	(564,671,324)
Interest paid	(6,520,360)	(4,881,795)
Net cash used by financing activities (C)	(696,434,636)	(569,553,119)
Net increase in cash and cash equivalents (A + B + C)	39,779,623	16,722,982
Effect of exchange differences on cash and cash equivalents held in foreign currency	10,096,438	593,595
Cash and cash equivalents at the beginning of the year	214,386,233	197,069,656
Cash and cash equivalents at the end of the year	264,262,294	214,386,233
Note to Cash flow statement:		
(a) The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Accounting Standard (AS-3) on Cash Flow Statement.		
(b) Components of cash and cash equivalents		
Balance with banks		
in current accounts	239,491,081	179,412,847
in EEFC accounts	705,729	16,846,166
Unclaimed dividend *	24,065,484	18,127,220
Total cash and cash equivalents	264,262,294	214,386,233

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

As per our report of even date attached

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 3 August, 2016

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

Philippe Lesueur
Chairman
DIN: 03327819

Neela Bhattacharjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 3 August, 2016

Notes to the consolidated financial statements

1. Background

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

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

The list of subsidiaries considered in these consolidated financial statements as at 30 June, 2016 with percentage holding is summarized below:

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

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

2. Summary of significant accounting policies

a) Basis of preparation of consolidated financial statements

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

b) Basis of consolidation

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

c) Basis of consolidation

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

d) Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as of the date of consolidated financial statements

Notes to the consolidated financial statements

and the reported amounts of revenue and expenses during the reporting period. Management believes that the estimates made in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

e) **Current- non-current classification**

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

Current liabilities include current portion of non current financial liabilities.

All other liabilities are classified as non current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Generally twelve months is considered as operating cycle.

f) **Revenue recognition**

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

Revenues from transaction processing service i.e. airline ticket and coupon processing charges, is recognized based on the rates fixed in the contract with customers based on the work completed and where there is no uncertainty as to measurability or collectability of that amount.

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

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

Notes to the consolidated financial statements

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

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

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

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

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

g) Goodwill on consolidation

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

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

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

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

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

Depreciation on fixed assets is provided pro rata for the period of use based on management's best estimate of useful lives of the assets. The useful life of the assets consider for depreciation is summarized below:

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

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

Notes to the consolidated financial statements

useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

i) Research and Development cost

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

j) Asset impairment

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

k) Investments

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

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

l) Leases

Operating lease

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

Finance Lease

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

m) Foreign currency transactions

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

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

Translation of foreign operations

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

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

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

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

Notes to the consolidated financial statements

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

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

Derivative instruments

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

n) Employee benefits

Defined Contribution Plan

Company's contributions during the year to Provident Fund administered by government authority are recognized in the statement of profit and loss.

Defined Benefit Plan

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

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

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

o) Income taxes

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

Current taxes

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

The Income tax Act, 1961 allows credit in respect of Minimum Alternate Tax ("MAT") paid under section 115JB, to be carried forward up to ten succeeding assessment years. The amount of MAT credit can be set-off only in

Notes to the consolidated financial statements

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

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

Deferred taxes

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

p) Earnings per share ('EPS')

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

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

q) Provisions and contingent liabilities

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

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

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

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

r) Onerous contracts

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

Notes to the consolidated financial statements	30 June 2016 ₹	30 June 2015 ₹
3 SHARE CAPITAL		
<i>Authorised</i>		
20,200,000 (30 June 2015: 20,200,000) equity shares of ₹ 10 each	202,000,000	202,000,000
<i>Issued, subscribed and paid-up</i>		
14,926,261 (30 June 2015: 14,926,261) equity shares of ₹ 10 each fully paid up	149,262,610	149,262,610
Forfeited shares	6,050	6,050
Total issued, subscribed and paid-up	149,268,660	149,268,660

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

Equity shares

	30 June 2016		30 June 2015	
	No. of shares	₹	No. of shares	₹
At the beginning and end of year	14,926,261	149,262,610	14,926,261	149,262,610

b. Right, preference and restriction attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting right of an equity shareholder on a poll is in proportion to its share of the paid-up equity capital of the Company. Voting right cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. During the year the Company has declared interim dividend and proposed final dividend of ₹ 15 and ₹ 30 respectively per equity share of ₹ 10 each.

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

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

c. Shares held by holding company

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

	30 June 2016 ₹	30 June 2015 ₹
Accelya Holding World S.L.U. 11,143,295 (30 June 2015: 11,143,295) equity shares of ₹ 10 each fully paid	111,432,950	111,432,950

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

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

Notes to the consolidated financial statements

3 SHARE CAPITAL (continued)

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

During the five year period ended 30 June 2016

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

4 RESERVES AND SURPLUS

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

Notes to the consolidated financial statements

5 OTHER LONG-TERM LIABILITIES

	Non current portion		Current portion (Refer note 8)	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	₹	₹	₹	₹
Deposit received	1,725,561	1,635,561	-	-
Deferred rent liability	15,101,353	14,927,926	193,475	1,309,467
	<u>16,826,914</u>	<u>16,563,487</u>	<u>193,475</u>	<u>1,309,467</u>

6 LONG-TERM PROVISIONS

	Non current portion		Current portion (Refer note 9)	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	₹	₹	₹	₹
Provision for employee benefit				
- Leave encashment (refer note 32)	49,062,697	47,844,688	17,182,120	16,323,973
	<u>49,062,697</u>	<u>47,844,688</u>	<u>17,182,120</u>	<u>16,323,973</u>

7 TRADE PAYABLES

	30 June 2016	30 June 2015
	₹	₹
- Total outstanding dues of micro and small enterprises (refer note 36)	-	-
- Total outstanding dues of creditors other than micro and small enterprises	118,967,612	119,627,800
	<u>118,967,612</u>	<u>119,627,800</u>

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

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

9 SHORT-TERM PROVISIONS

Provision for employee benefit		
- Leave encashment (refer note 6 and 32)	17,182,120	16,323,973
- Gratuity (refer note 32)	13,510,382	12,781,069
Proposed dividend	447,787,830	373,156,525
Tax on proposed dividend	91,159,066	58,785,739
Provision for salaries and incentives	124,087,618	107,503,235
Provision for litigation (Refer note (a) below)	1,000,000	1,000,000
Provision for claims	8,478,793	10,943,205
Provision for mark to market loss on forward contract	1,543,640	773,414
Provision for income tax (net of advance tax ₹ 781,802,419, 30 June 2015: ₹ 453,295,540)	70,552,930	87,349,803
	775,302,379	668,616,963

(a) Movement in provision for litigation

Balance as at the commencement and end of the year	1,000,000	1,000,000
--	-----------	-----------

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

Notes to the consolidated financial statements

10 TANGIBLE FIXED ASSETS

	Building	Plant and machinery and computer equipment	Furniture and fixture	Vehicle	Lease hold improvement	Total
	₹	₹	₹	₹	₹	₹
Gross block (at cost)						
As at 1 July 2014	63,259,128	379,055,777	61,892,567	15,094,242	21,659,954	540,961,668
Additions during the year	-	58,172,476	4,961,990	-	-	63,134,466
Deletions/disposals	-	27,927,311	12,651,127	-	-	40,578,438
Translation	-	196,392	167,667	-	-	364,059
As at 30 June 2015	63,259,128	409,497,334	54,371,097	15,094,242	21,659,954	563,881,755
Additions during the year	-	88,794,702	6,274,473	2,646,178	-	97,715,353
Deletions/disposals	-	8,454,491	512,483	7,377,990	-	16,344,964
Translation	-	29,625	66,766	-	-	96,391
As at 30 June 2016	63,259,128	489,867,170	60,199,853	10,362,430	21,659,954	645,348,535
Accumulated depreciation						
As at 1 July 2014	32,505,184	239,489,957	50,141,352	11,734,822	10,273,837	344,145,152
Charge for the year	2,108,638	71,423,194	4,532,641	1,557,032	4,563,735	84,185,240
Deletions/disposals	-	27,403,968	12,610,199	-	-	40,014,167
Translation	-	207,360	157,166	-	-	364,526
Adjustment for retained earnings (refer note 40)	-	1,016,247	-	-	-	1,016,247
As at 30 June 2015	34,613,822	284,732,790	42,220,960	13,291,854	14,837,572	389,696,998
Charge for the year	2,108,638	70,609,862	5,182,611	774,343	4,563,735	83,239,189
Deletions/disposals	-	8,463,229	512,483	6,044,839	-	15,020,551
Translation	-	30,697	61,499	-	-	92,196
As at 30 June 2016	36,722,460	346,910,120	46,952,587	8,021,358	19,401,307	458,007,832
Net block						
As at 30 June 2015	28,645,306	124,764,544	12,150,137	1,802,388	6,822,382	174,184,757
As at 30 June 2016	26,536,668	142,957,050	13,247,266	2,341,072	2,258,647	187,340,703

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

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

Notes to the consolidated financial statements

11 INTANGIBLE FIXED ASSETS

	Internally developed software ₹	Acquired software ₹	Total ₹
Gross block (at cost)			
As at 1 July 2014	328,732,261	235,553,446	564,285,707
Purchase/internal development	28,807,765	14,287,970	43,095,735
Deletions/disposals	-	-	-
As at 30 June 2015	357,540,026	249,841,416	607,381,442
Purchase/internal development	12,345,946	84,039,451	96,385,397
Deletions/disposals	-	-	-
As at 30 June 2016	369,885,972	333,880,867	703,766,839
Accumulated amortisation			
As at 1 July 2014	233,933,819	207,397,265	441,331,084
Charge for the year	30,721,480	18,314,086	49,035,566
Deletions/disposals	-	-	-
As at 30 June 2015	264,655,299	225,711,351	490,366,650
Charge for the year	30,915,790	18,956,897	49,872,687
Deletions/disposals	-	-	-
As at 30 June 2016	295,571,089	244,668,248	540,239,337
Net block			
As at 30 June 2015	92,884,727	24,130,065	117,014,792
As at 30 June 2016	74,314,883	89,212,619	163,527,502

Intangible assets
under development
₹

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

12 NON-CURRENT INVESTMENTS

Trade investments (unquoted at cost, unless otherwise stated)

Investments in Shares of Co-operative Banks

Rupee Co-operative Bank Limited

5,000 equity shares of ₹ 10 each fully paid up
(30 June 2015: 5,000 equity shares of ₹ 10 each fully paid up)

50,000

50,000

Saraswat Co-operative Bank Limited

1,000 equity shares of ₹ 10 each fully paid up
(30 June 2015: 1,000 equity shares of ₹ 10 each fully paid up)

10,000

10,000

60,000

60,000

Notes to the consolidated financial statements

13 DEFERRED TAX ASSETS (NET)

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

14 LONG TERM LOANS AND ADVANCES

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

15 OTHER NON-CURRENT ASSETS

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

Margin money deposits

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

Discount in advance

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

Notes to the consolidated financial statements

16 CURRENT INVESTMENT

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

17 TRADE RECEIVABLES

(Unsecured)		
Receivables for a period exceeding six months from the date they are due for payment		
Considered good	4,335,540	24,463,754
Considered doubtful	5,970,716	12,194,571
Less: Provision for doubtful receivable	<u>(5,970,716)</u>	<u>(12,194,571)</u>
(A)	4,335,540	24,463,754
Other receivables		
Considered good	387,526,207	347,101,369
Considered doubtful	-	-
Less: Provision for doubtful receivable	-	-
(B)	<u>387,526,207</u>	<u>347,101,369</u>
(A + B)	<u>391,861,747</u>	<u>371,565,123</u>
Trade receivables include:		
Due from group companies in which director and member are interested (Refer to note 34)	30,319,678	28,126,881

18 CASH AND BANK BALANCE

Cash and cash equivalents		
Balances with bank		
on current accounts	239,491,081	179,412,847
in EEFC accounts	705,729	16,846,166
Other bank balances		
Bank deposit maturing within one year from reporting date	-	-
Margin money deposits	3,423,069	3,496,244
Unclaimed dividend *	24,065,484	18,127,220
	<u>267,685,363</u>	<u>217,882,477</u>

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

Margin money deposits

Margin money deposits represent deposit with banks given to various authorities amounting to ₹ 3,423,069 (30 June 2015: ₹ 3,496,244) which are due to mature within 12 months of the reporting date.

Due after 12 months (refer note 15)	617,123	412,370
---	---------	---------

Notes to the consolidated financial statements	30 June 2016 ₹	30 June 2015 ₹
19 SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good unless otherwise stated		
Advances recoverable in cash or kind (refer note 14)	41,919,820	27,514,867
Service tax refund receivable (refer note 14)	3,112,816	10,194,358
Prepaid expenses (refer note 14)	37,524,611	21,058,460
Lease and other deposits (refer note 14)	56,000	56,000
MAT credit entitlement	-	5,053,203
	<u>82,613,247</u>	<u>63,876,888</u>
20 OTHER CURRENT ASSETS		
Interest accrued on bank deposits	117,599	231,371
VAT receivable	293,220	-
Unbilled revenue (refer note 34 and 37)	273,889,941	206,121,108
Discount in advance	2,430,720	-
	<u>276,731,480</u>	<u>206,352,479</u>
Discount in advance		
Discount in advance represent discount given to customer to be amortised over the period of contract.		
Unbilled revenue include:		
Revenue from group companies	22,851,611	16,291,342
	<u>22,851,611</u>	<u>16,291,342</u>
	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
21 REVENUE FROM OPERATION		
Sale of services	3,397,088,294	3,016,754,373
Other operating revenue		
Reimbursement from clients	12,729,020	11,482,572
	<u>3,409,817,314</u>	<u>3,028,236,945</u>
22 OTHER INCOME		
Interest on bank deposits	352,042	919,594
Interest on income tax refunds	-	5,995,211
Foreign exchange gain, net	44,473,853	26,875,907
Credit balances written back	29,038,273	1,743,723
Dividend from mutual fund	11,301,542	11,790,172
Profit on sale of asset, net	-	337,990
Miscellaneous income	4,323,787	9,462,039
	<u>89,489,497</u>	<u>57,124,636</u>
23 EMPLOYEE BENEFITS EXPENSE		
Salaries and incentives	1,317,438,901	1,199,281,683
Contribution to provident fund and other funds	37,211,760	33,884,020
Staff welfare expenses	47,705,001	43,940,840
Gratuity (refer note 32)	14,001,382	11,552,065
	<u>1,416,357,044</u>	<u>1,288,658,608</u>

Notes to the consolidated financial statements	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
24 FINANCE COSTS		
Bank charges	6,520,360	4,881,795
	<u>6,520,360</u>	<u>4,881,795</u>
25 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of tangible assets	83,239,188	84,185,240
Amortisation of intangible assets	49,872,687	49,035,566
	<u>133,111,875</u>	<u>133,220,806</u>
26 OTHER EXPENSES		
Advertisement and sales promotion	28,705,148	22,635,455
Auditors remuneration (refer below)	6,492,866	5,655,471
Commission and brokerage	4,720,114	23,962,112
Communication charges	21,107,697	19,369,487
Computer consumables	954,972	397,706
Connectivity charges	14,872,311	10,979,163
Data processing charges	11,890,921	12,051,916
Director's commission	500,000	400,000
Director's sitting and committee fees	2,373,083	1,551,423
Contribution to corporate social responsibility (refer note 38)	23,800,000	19,000,000
Insurance	4,365,799	4,257,330
Legal and professional fees	28,366,362	14,647,238
Management fees	31,513,710	24,270,351
Membership and subscription	10,299,754	8,163,141
Power, fuel and water charges	31,154,987	29,057,538
Printing and stationery	1,988,148	2,266,056
(Reversal)/provision for doubtful debts	(6,223,855)	790,047
Bad debt written off	6,254,491	9,889,581
Rates and taxes	4,197,518	14,767,136
Loss on sale of fixed assets, net	366,013	-
Recruitment expenses	3,136,506	4,283,844
Rent (refer note 35)	77,146,410	77,227,151
Repair and maintenance :		
- Machinery	4,567,767	6,623,737
- Others	18,338,431	17,580,731
Software and maintenance	157,215,409	116,845,112
Technical consultants charges	77,675,417	56,366,331
Travelling and conveyance	80,579,632	76,074,037
Miscellaneous expenses	31,148,279	30,746,233
	<u>677,507,890</u>	<u>609,858,327</u>
Auditor's remuneration		
Statutory audit fees	5,787,420	5,012,020
Other services (tax audit and certification)	381,640	475,000
Out of pocket expenses	323,806	168,451
	<u>6,492,866</u>	<u>5,655,471</u>

Notes to the consolidated financial statements	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
27 PRODUCT DEVELOPMENT COST CAPITALISED		
Payroll cost	12,249,115	15,397,354
Technical consultant charges	-	2,994,558
Other direct cost	3,850	248,369
	12,252,965	18,640,281
28 EARNING PER EQUITY SHARE (EPS)		
Number of shares (face value ₹ 10 each)	14,926,261	14,926,261
Profit after tax	830,228,689	673,970,178
Weighted average number of shares considered for basic EPS	14,926,261	14,926,261
Weighted average number of shares considered for diluted EPS	14,926,261	14,926,261
Basic and diluted EPS:		
Basic earnings per share	55.62	45.15
Diluted earnings per share	55.62	45.15
29 CAPITAL AND OTHER COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	21,498,082	508,995
30 CONTINGENT LIABILITIES		
Claims against the Company pertaining to Sales Tax with Asst. Commissioner of Sales Tax (Appeals) - For F.Y. 2001-02 (disallowance of Software services and maintenance of software)	7,870,739	7,870,739
Contingent liability on account of rejection of refund of cenvat credit by Service Tax Department for which an appeal has been filed.		
Claim against Company not acknowledge as debt.	17,875,311	14,724,976
The Company has reviewed all its pending litigation and proceedings and has adequately provided where provision are required. The Company has disclosed contingent liabilities wherever applicable. The resolution of these legal proceedings is not likely to have a material and adverse effect on the results of operations or the financial position of the Company.		
31 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE		
Year of remittance (ending on)	Year ended 30 June 2016	Year ended 30 June 2015
Period to which the dividend relates	2014-15 (Final dividend)	2013-14 (Final dividend)
Numbers of non-resident shareholders	18	19
Numbers of equity shares held on which dividend was due	11,183,244	11,187,844
Amount remitted	279,581,100	246,132,568
Period to which it relates	2015-16 (Interim dividend)	2014-15 (Interim dividend)
Numbers of non-resident shareholders	18	18
Numbers of equity shares held on which dividend was due	11,183,244	11,184,344
Amount remitted	167,748,660	123,027,784

Notes to the consolidated financial statements

32 RETIREMENT BENEFITS TO EMPLOYEES

Gratuity

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

Changes in present value of obligations

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

Notes to the consolidated financial statements

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

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

Leave encashment

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

Principal actuarial assumptions

	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹
Rate of discounting	7.70%	8.10%
Rate of increase in cost to company	10.00%	11.00%
Attrition rate	13.00%	13.00%
Mortality	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate
Normal retirement age	58 years	58 years

Provident Fund

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to ₹ 32,322,871 (2015: ₹ 28,948,311).

Notes to the consolidated financial statements

33 SEGMENTAL REPORTING

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

Geographic segments

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

Segment revenues

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

Capital Employed

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

Continent wise geographical revenue and capital employed

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

Notes to the consolidated financial statements

34 RELATED PARTY TRANSACTIONS

(A) Related party disclosures

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

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

(B) Transactions with related parties

(Amount in ₹)

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

Notes to the consolidated financial statements

34 RELATED PARTY TRANSACTIONS (Continued)

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

Notes to the consolidated financial statements

35 LEASES

Operating lease

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

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

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

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

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

Particulars	30 June 2016 ₹	30 June 2015 ₹
Principal amount and the interest due thereon remaining unpaid to any supplier as at the year end	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible	-	-

37 Unbilled revenue include revenue based on percentage of completion basis ₹ 63,353,338 (30 June 2015: ₹ 20,072,019)

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

The company has implemented CSR activities through Catalysts for Social Action (CSA) a Not-For-Profit organization dedicated to the cause of child welfare and rehabilitation for children living in orphanages. As per Section 135 of the Companies Act, 2013 the gross amount required to be spent by the Company on CSR activities is ₹ 237.60 lakhs. The total amount spent by the Company through CSA is ₹ 238 lakhs.

Amount in ₹

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

Notes to the consolidated financial statements

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

Amount in ₹

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

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

41 During the previous year, Kale Revenue Assurance Services Limited (KRAS), wholly owned subsidiary of the Company in the United Kingdom, was placed under Members Voluntary Liquidation (MVL) with effect from 20 May 2015 vide board resolution passed by the Board of Directors of KRAS on 30th April, 2015. The effective date of liquidation was 20 May 2015, the date on which the shareholders of KRAS passed the resolution for voluntary liquidation.

Consequently, all the assets and liabilities of KRAS were transferred to the liquidator approved by the board. The liquidator transferred entire issued capital of Zero Octa UK Limited (ZOUK) and other assets and liabilities of the Company, being the owner of KRAS.

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

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

Name of Entity	Net Assets [Total Assets- Total Liabilities]		Share in Profit or Loss	
	As % of consolidated net assets	Amount ₹	As % of consolidated profit and loss	Amount ₹
30 June 2016				
Parent Company	83.94%	949,644,739	97.19%	806,910,594
Accelya Kale Solutions Limited				
Subsidiaries				
Kale Softech Inc.	5.79%	65,455,956	1.00%	8,341,712
Zero Octa UK Limited	10.27%	116,223,445	1.80%	14,976,383
Total	100.00%	1,131,324,140	100.00%	830,228,689
30 June 2015				
Parent Company				
Accelya Kale Solutions Limited	82.17%	945,591,327	84.97%	572,693,058
Subsidiaries				
Kale Softech Inc.	4.38%	50,393,686	3.19%	21,515,548
Kale Revenue Assurance Services Ltd., UK*	-	-	(0.23%)	(1,558,201)
Zero Octa UK Ltd.	13.45%	154,777,529	12.07%	81,319,773
Total	100.00%	1,150,762,542	100.00%	673,970,178

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

Notes to the consolidated financial statements

- 43** During the previous year, the Company received income tax refund for the financial years 2008-09, 2009-10 and 2010-11 amounting to ₹ 31,866,760 of which interest on income tax refund amounting to ₹ 5,995,211 accounted in profit and loss account under other income. (refer to note 22)
- 44** The Company's management is of the opinion that its international transactions with related parties are at arms length and that the Company is in compliance with the transfer pricing legislation. Based on the above, the Company's management believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of the provision for taxation.
- 45 LONG TERM CONTRACT**
The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.
- 46 DERIVATIVE INSTRUMENT**
The Company uses forward exchange contracts and cross-currency option to hedge its exposure to movements in foreign exchange rates

Outstanding derivative instruments

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

- 47** During the year an audit was conducted by the Service Tax authorities. Subsequent to the year end, Service Tax authorities have observed that certain transactions were chargeable to tax under Reverse Charge Mechanism and Cenvat credit was not eligible for certain transactions. The Company is in the process of evaluating these observations and is in process of submitting its responses to the Service Tax authorities.
- 48** Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

As per our report of even date attached

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 3 August, 2016

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

Philippe Lesueur
Chairman
DIN: 03327819

Neela Bhattacharjee
Managing Director
DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 3 August, 2016

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

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

Amount in ₹

Sr. No.	Name of the subsidiary	Kale Softech Inc	Zero Octa UK Limited
1	Reporting currency	USD	GBP
2	Exchange rate on the last date of the financial year	67.52	90.82
3	Financial year end on	30th June 2016	30th June 2016
4	Share capital	877,760	100,810
5	Reserves and surplus	122,558,928	114,237,483
6	Total assets	266,048,043	161,375,515
7	Total Liabilities	142,611,355	47,037,222
8	Investments	-	-
9	Turnover	904,101,172	249,603,058
10	Profit before taxation	47,191,619	17,653,773
11	Provision for taxation	18,988,447	3,552,969
12	Profit after taxation	28,203,172	14,100,804
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%

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

Philippe Lesueur
Chairman
 DIN: 03327819

Neela Bhattacharjee
Managing Director
 DIN: 01912483

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
 ACS 14201

Place : Mumbai
 Date : 3 August, 2016

Shareholder Information

1. Annual General Meeting

- Date and Time - Wednesday, 5th October, 2016 at 12.00 noon
- Venue - Sumant Moolgaokar Auditorium, 'A Wing', Ground Floor, Maharashtra Chamber of Commerce, Industries and Agriculture, Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune 411 016
- Book Closure Dates - Wednesday, 28th September, 2016 to Wednesday, 5th October, 2016 (both days inclusive)
- Purpose - Dividend and Annual General Meeting

2. Registered Office Address

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

3. Listing Details

No. of securities listed - 1 to 14926261

Name, Address & Telephone Nos. of the Stock Exchanges	Scrip Code	Date of Listing	Listing fees For 2014-15
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Tel.: (022) 22721233 / 34	532268	November 16, 1999	Paid
National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Tel.: (022) 2659 8100 –14	ACCELYA	December 1, 1999	Paid

4. Share Transfer System

The Share Transfer Committee of the Board usually meets every 15 days to approve physical transfer of shares.

Break up of shareholding in physical and demat mode (As on 30 June, 2016)

Type of Holding	Percentage to Share Capital
Physical	1.04%
Dematerialized	98.96%
Total	100.00%

5. ISIN Numbers

NSDL:

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

CDSL:

ISIN No.
INE793A01012

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

Karvy Computershare Private Limited
 Karvy Selenium, Tower B,
 Plot 31-32, Gachibowli Financial District,
 Nanakramguda,
 Hyderabad – 500 032
 Tel. No. (040) 67162222
 Fax No. (040) 23001153
 Email: einward.ris@karvy.com
 Contact Person: Mr. Mohammed Mohsinuddin

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

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

8. Distribution of Shareholding as on 30 June, 2016

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

9. Investor Complaints

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

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

Stock Exchange	Date of Letter
BSE Limited	5 th October, 2015
National Stock Exchange of India Limited	5 th October, 2015
BSE Limited	4 th January, 2016
National Stock Exchange of India Limited	1 st January, 2016
BSE Limited	4 th April, 2016
National Stock Exchange of India Limited	5 th April, 2016
BSE India	1 st July, 2016
National Stock Exchange of India Limited	1 st July, 2016

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

10. Financial Calendar

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

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



ACCELYA KALE SOLUTIONS LIMITED

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

NOTICE

NOTICE IS HEREBY GIVEN THAT the thirtieth Annual General Meeting (AGM) of the members of Accelya Kale Solutions Limited (CIN: L74140PN1986PLC041033) will be held on Wednesday, the 5th day of October, 2016 at 12.00 noon at Sumant Moolgaokar Auditorium, 'A Wing', Ground Floor, Mahratta Chamber of Commerce, Industries and Agriculture, Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune 411 016, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the year ended 30th June, 2016, together with the Reports of the Directors and Auditors thereon.
2. To confirm payment of interim dividend and declare a final dividend on equity shares.
3. To appoint a Director in place of Mr. Vipul Jain (DIN 00142518), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, B S R & Co. LLP, Chartered Accountants, (Firm's Registration No. 101248W/W-100022), be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the 31st AGM of the Company.”

By the Order of the Board of Directors

Ninad Umranikar
Company Secretary
ACS : 14201

Place: Mumbai
Date: 3rd August, 2016

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than 48 hours before the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.
2. The Register of Members and Transfer Books of the Company will be closed from Wednesday, the 28th day of September, 2016 to Wednesday, the 5th day of October, 2016 (both days inclusive), for the purpose of dividend and AGM.
3. If the Final Dividend as recommended by the Board of Directors is approved at the AGM, payment of such dividend will be made on 18th and/or 19th October, 2016 as under:
 - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Tuesday, the 27th day of September, 2016;
 - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Tuesday, the 27th day of September, 2016.

4. **Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Karvy Computershare Private Limited (Karvy) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Karvy.**
5. **MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO CONSIDER CONVERTING THEIR HOLDING TO DEMATERIALIZED FORM TO ELIMINATE ALL RISKS ASSOCIATED WITH PHYSICAL SHARES (LOSS OR MISPLACE OF SHARE CERTIFICATE). MEMBERS CAN CONTACT THE COMPANY OR KARVY FOR ASSISTANCE IN THIS REGARD.**
6. Members desiring any information as regards the accounts and operations of the Company are requested to send their queries to the Company, at least 10 days in advance, so as to enable the management to keep the information ready.
7. **Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Karvy. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per section 124 of the Companies Act, 2013 (section 205A of the erstwhile Companies Act, 1956) be transferred to the Investor Education Protection Fund.**
8. The Notice of the AGM along with the Annual Report for 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
9. **To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Karvy/Depositories.**
10. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder read with regulation 44 of the SEBI Listing Regulations, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

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

- i. Use the following URL for e-voting: <https://evoting.karvy.com>
- ii. Enter the login credentials i.e. user id and password mentioned in your email. Your Folio No./DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing USER ID and password for casting your vote.
- iii. After entering the details appropriately click on "LOGIN".
- iv. You will reach the 'password change' menu wherein you are required to mandatorily change your password. The new password should comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.,). The system will prompt you to change your password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT i.e., **Accelya Kale Solutions Limited**.
- vii. On the voting page, the number of shares (which represents the number of votes) as held by the member will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the

total number in "FOR/AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. **Once you confirm, you will not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc..) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through email info@napco.in. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name_EVENT No."
- xi. The voting rights shall be as per the number of equity shares held by the members as on 28th day of September, 2016 (cut-off date).
- xii. Members who have acquired shares after the dispatch of the Annual Report but before the cut-off date may obtain the user ID and password by sending a request at evoting@karvy.com or mohsin.mohd@karvy.com
- xiii. Remote e-voting facility where members can cast their vote online shall be open from: **1st October, 2016 (9.00 a.m.) till 4th October, 2016 (5.00 p.m.)**
- xiv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call Karvy Computershare Private Limited on 1800 345 4001 (toll free).

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

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

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

C. Other Instructions

- i. The Board of Directors has appointed Mr. Nilesh A. Pradhan, Practicing Company Secretary (FCS No. 5445 CP No. 3659) as the Scrutinizer to scrutinize the e-voting process and voting at the venue of the Annual General Meeting in a fair and transparent manner.
- ii. The Scrutinizer shall, after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and not later than three days from the conclusion of the meeting, prepare a consolidated scrutinizer's report and submit the same to the Chairman of the Company.
- iii. The results declared along with the Scrutinizer's report shall be placed on the Company's website (www.accelyakale.com) and on the website of Karvy (<http://evoting.karvy.com>) and shall also be communicated to the stock exchanges. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. 5th October, 2016.

By the Order of the Board of Directors

Ninad Umranikar
Company Secretary
ACS : 14201

Place: Mumbai
Date: 3rd August, 2016

This page is intentionally kept blank



ACCELYA KALE SOLUTIONS LIMITED

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

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

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

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

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

- 1. Name : _____
Address : _____
E-mail ID : _____
Signature : _____ or failing him / her
- 2. Name : _____
Address : _____
E-mail ID : _____
Signature : _____ or failing him / her
- 3. Name : _____
Address : _____
E-mail ID : _____
Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held on Wednesday, the 5th October, 2016 at 12.00 noon at Sumant Moolgaokar Auditorium, 'A Wing', Ground Floor, Mahratta Chamber of Commerce, Industries and Agriculture, Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune 411 016 and at any adjournment thereof in respect of such resolutions as are indicated below:

- Resolution No.
- 1. Adoption of audited financial statements (including audited consolidated financials statements) for the year ended 30th June, 2016 and the Directors' and Auditors' Report (Ordinary Resolution)
 - 2. Confirmation of payment of interim dividend and declaration of final dividend (Ordinary Resolution)
 - 3. Re-appointment of Mr. Vipul Jain as Director of the Company, liable to retire by rotation (Ordinary Resolution)
 - 4. Appointment of Statutory Auditors (Ordinary Resolution)

Signed this day of 2016.

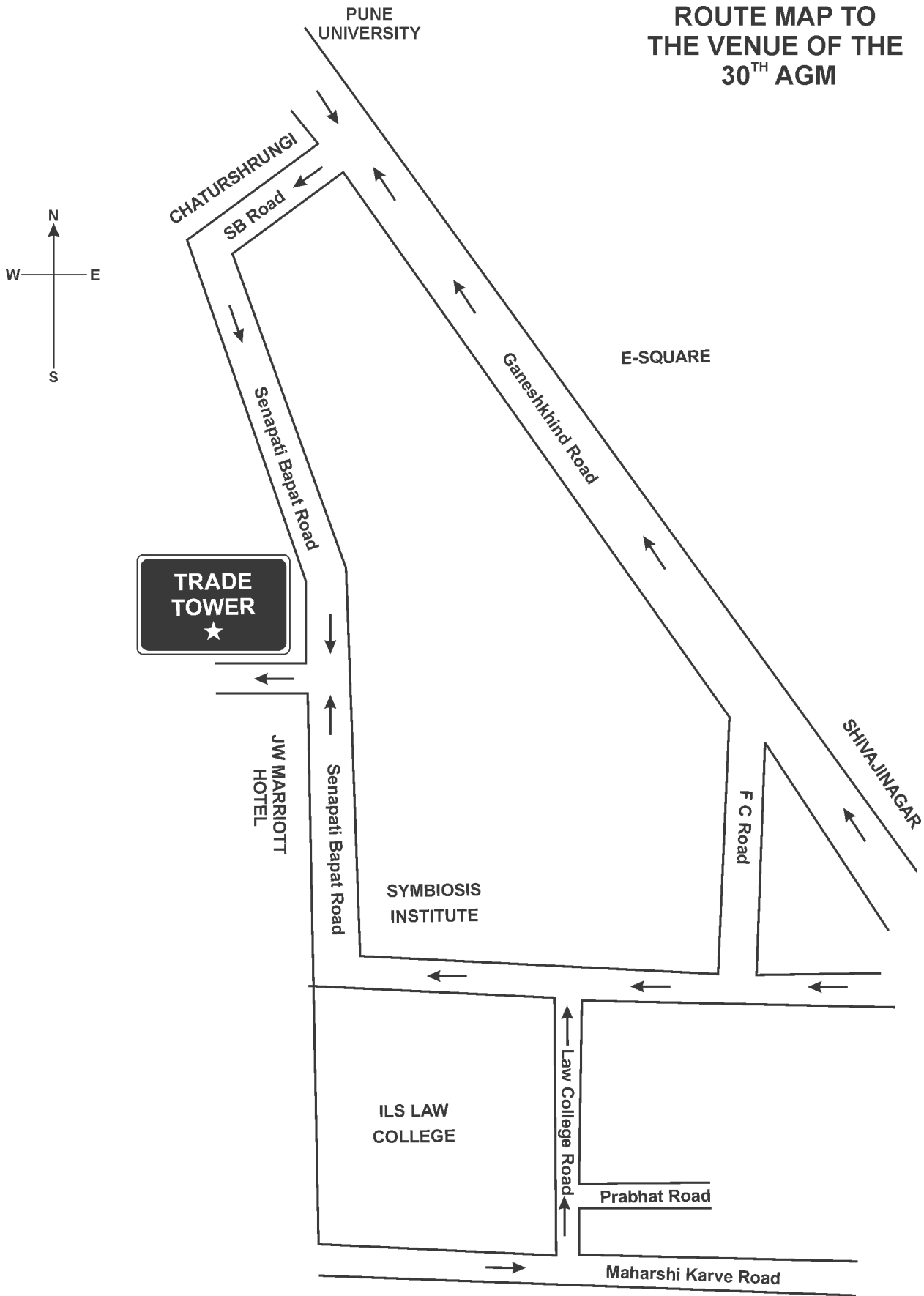
Signature of shareholder : _____

Signature of Proxy holder(s) : _____



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

ROUTE MAP TO THE VENUE OF THE 30TH AGM





Regd. Office:

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

Tel: +91 20 66083777 Fax: +91 20 24231639

Email: accelyakale.investors@accelya.com

www.accelyakale.com

CIN: L74140PN1986PLC041033