

**Date: 28<sup>th</sup> April, 2017**

**The Manager  
Listing Department  
The National Stock Exchange of India Ltd.  
Exchange Plaza, 5th Floor, Plot C/1, G Block  
Bandra - Kurla Complex, Bandra (E)  
Mumbai 400 051  
NSE Symbol: ACROPETAL**

**The Manager  
Listing Department  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Tower  
Dalal Street  
Mumbai - 400 001  
BSE Scrip Code: 533330**

Dear Sirs,

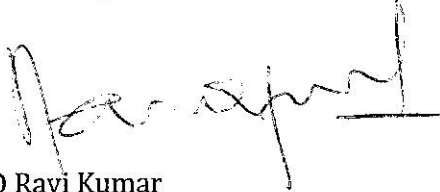
Sub: Regulation 33 - Audited Financial Results for the quarter and year ended March 31st, 2017.

We would like to inform you that the Board of Directors in their Meeting held today, approved the audited financial results for the quarter and year ended 31<sup>st</sup> March, 2017, both on standalone and on consolidated basis.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have enclosed herewith the Standalone and Consolidated financial results with the report of the Statutory Auditors of the Company on the said financial results for the quarter and year ended March 31st, 2017.

Kindly acknowledge receipt and do the needful.

Thanking you,  
Yours Faithfully,  
For Acropetal Technologies Limited.

  
D Ravi Kumar  
Chairman and Managing Director





**K. GOPALAKRISHNAN & CO**  
CHARTERED ACCOUNTANTS

# 120, Infantry Road,  
Next to Balaji Plywood,  
Bangalore - 560 001.  
Ph : 22868388, 41132735  
E-mail : gopalfca@gmail.com

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF ACROPETAL TECHNOLOGIES LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **ACROPETAL TECHNOLOGIES LIMITED** ('the Company') which comprise the Balance sheet as at 31<sup>st</sup> March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



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

### Basis for Qualified Opinion

1. The company has provided Interest on outstanding loans from banks/financial institutions upto 31/12/2015. However the company has reversed the entire interest of Rs. 9,11,46,915/- stating that they are in the process of one time settlement with the banks/financial institutions and likely to get substantial relief. Thus interest on the entire loans from such banks / institutions are not recognised as expenditure for the year 2016-17.
2. The company received the Income Tax first appellate order for the Assessment year 2011-12 with substantial relief. As per the said order the income tax liability has come down from Rs. 10,44,80,750 to Rs.75,87,760.However the company has not recognised this as expenses.
3. Subject to provision for diminution in the value of investments as per Accounting Standard13.

The companies investments is unquoted Equity shares in subsidiary/associate companies are below.

	Company Name	Investments in Equity shares	Remarks
Subsidiary	i. Mindriver Info Tech	9,50,42,641	Net Worth Negative
	ii. Vision Info Inc	1,35,975	Net Worth Negative
Associate	iii. Kinfotech Pvt Ltd	4,80,00,000	Net Worth Negative

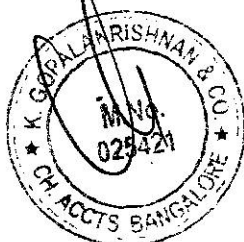
The net worth of the investments are negative in (i),(ii)&(iii). In our opinion the above diminution in the value are not temporary.

The latest financial of Binary Spectrum Soft Tech Pvt Ltd is not made available and hence we are unable to express an opinion on the diminution in the value.

The company has not made any provision in the diminution in the value of such investments.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified opinion paragraph, 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 31<sup>st</sup> March 2017, and its loss and its cash flows for the year ended on that date.



## Emphasis of Matters:

We draw attention to the following matters in the Notes to financial statements:

1. The company is undergoing a problem in facing the going concern issue, here we mention events that may cast doubt about going concern assumption as follows (as per para 10 of SA 570 "Going Concern").
  - a. The company has borrowings of Rs. 97,95,13,759 /- which became repayable in full over one year before. The entity is already in breach of its agreed overdraft and the bank has refused to renew the borrowings. The entity has also been unsuccessful in applying to other financial institutions for re-financing. It is highly unlikely that the entity will be successful in renewing or re-financing the Rs. 97,95,13,759 /- borrowings.
  - b. As referred in Note 7(i) to the Financial statements ,company is facing difficulties in paying statutory dues such as Service tax, TDS, Contribution to employees provident fund, Employees stake insurance, Central sales Tax, Dividend distribution Tax and Income Tax.

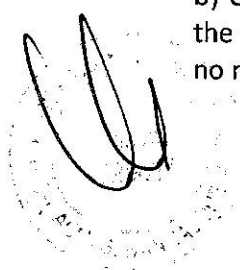
**Statement of statutory dues outstanding for more than six months is as follows:**

Nature of the Dues	Overdue for more than six months on 31/03/2017 (Rs)
Provident Fund	1,15,467
CST	4,12,500
DDT	1,56,34,793
Service Tax	2,95,44,351
Employees state Insurance	13,72,513
TDS	3,82,93,236

- c. Note 2(c) in the financial statements which indicates that the Company has accumulated losses and its Networth has been fully eroded, the company incurred a net loss during the current year ( Rs.2.06 crores ) and previous year ( Rs.67.83 crores ) and, the Company's current liabilities (Rs.155.32 crores ) exceed its current assets (Rs.7.14 crores) as at the balance sheet date.
- d. As on May 1 2016, there were no employees on the rolls of the company and as company is managing with the assistance of consultants for maintaining accounts and allied activities.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis.

- b) Out of the Unsecured advances given to staff & ex-employees referred in Note 10(d) of the financial statements, there is uncertainty about recovery of Rs. 23,73,103/- as there is no recovery during the year and these are outstanding for more than a year.



## 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 the paragraph 3 and 4 of the Order.

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

- (a) We have sought obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit;
- (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance sheet, the Statement of Profit and Loss and the Cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) Except for the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act excepting AS 11 and AS 29 with respect to Foreign exchange gains and disputed Income Tax Liability respectively, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) The going concern matter described in Para (1) under the Emphasis of Matters paragraph above may have an adverse effect on the functioning of the Company.
- (f) We have neither been given written representation from the directors nor secretarial audit report for the year that none of them are disqualified as on 31.03.2017 from being appointed as directors in terms of Sec 164(2). Form DD-B pursuant to sec 274(1)(g) of the Companies act,1956 has been filed on 27.10.2013, due to failure in payment of dividend since 27.10.2012.

However the company is of opinion that Sec 164(2) does not had to ipso facto vacation and it envisages vacation only at the end of the present tenure.

- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) 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, except disputed Income tax liability on its financial position in its financial statements.

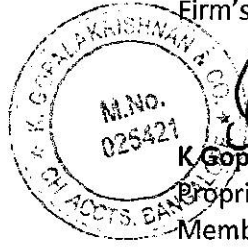
ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K Gopalakrishnan & Co  
Chartered Accountants

Firm's registration number: 009600S



  
K Gopalakrishnan  
Proprietor

Membership number: 025421

Bangalore

28 April 2017

## Annexure - A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- i) (a) The Company has maintained records showing full particulars of quantitative details of fixed assets however the situation of fixed assets is not entered in the register.  
(b) The assets have not been physically verified by the management during the year.  
(c) According to the 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. As per our examination of the documents, immovable properties of the company have been mortgaged to various banks for various loans. We have been provided with a copy of deeds, but no confirmation letter from the bank or institution was made available to us.
- ii) The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- iii) The Company has granted interest free loans to two body corporates covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). The outstanding balances for the granted loans are as follows:

Persons covered in the Register maintained under Sec 189	Date of grant of Advance	Amount outstanding as on 31.03.2017 (in Rs)
Binary Spectrum Softech Pvt Ltd	Advances given on various dates. Outstanding balance pending from 2011-12	4,76,94,775
Ecologix knowledge solutions Pvt ltd	01-01-2014	4,50,000

a) The company has not stipulated any terms viz., rate of interest, repayment period etc regarding the loan given specified by the company. As we did not get the information about the reasons for the advances viz., business expediency or otherwise, we are unable to express whether it is prejudicial to the interests of the company or not.

b) There has no interest agreed on such loans and there is no repayments from 01-01-2014.

c) The advances are given over 2 years before the date of the balance sheet and we have no information about whether the company has taken any steps to recover about advances.

Persons covered in the Registrar maintained under Sec 189	Amount outstanding as on 31.03.2017 (in Rs)
Binary spectrum softech Pvt Ltd	4,76,94,775
Ecologix knowledge solutions Pvt ltd	4,50,000

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and

investments made. The company has provided guarantee in respect of the loans taken by its two subsidiaries Vision Info Inc and Mindriver information Technologies Pvt Ltd in the year 2009-10 and 2012-13 respectively .

- v) The company has not accepted deposits from the public. There are balances outstanding in Advance from four customers Rs.21.52 crores for a period more than 365 days from the date of acceptance, which will be classified as deposits which are specified below as per sec 2(31) read with Rule 2(c)(xii) of the Companies act, 2013 .There are advances from Managing Director for Rs. 1,97,05,501/- for which we were not provided certificate from him that it is not advanced out of borrowed money and hence we are unable to report that whether it is deposit u/s 2(31) or otherwise.
- vi) The Central government has not prescribed the maintenance of cost records under section 148(1) of the companies Act, 2013 for any of the services rendered by the company.
- vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large no of cases.

**Statement of Arrears of Statutory dues Outstanding for more than six months**

Nature of the Dues	Overdue for more than six months on 31/03/2017 (Rs)
Provident Fund	1,15,467
CST	4,12,500
DDT	1,56,34,793
Service Tax	2,95,44,351
Employees state Insurance	13,72,513
TDS	3,82,93,236

(b) According to the information and explanations given to us, there are no material dues of duty of customs, sales tax, duty of excise, service tax, value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the dues	Amount (in Rs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax and Interest	17,31,71,810	April 2011- March 2012	CIT(Appeals)-I, Bangalore
Income Tax Act,1961	Income Tax and Interest	28,00,62,900	April 2012- March 2013	CIT(Appeals)-I, Bangalore

viii) The company has defaulted in repayment of dues to financial institutions and banks.





Bank/financial institution	Loan outstanding as on 31/03/2017	Amount	Period of default
United bank of India	19,96,32,045		September 2012 - March 2017
South Indian bank	15,08,03,416		December 2012 - March 2017
Axis Bank-CC	11,58,65,171		September 2014 - March 2017
Central Bank of India-TL	12,00,21,011		June 2014 - March 2017
SBT-Packing credit	29,39,73,703		February 2014 - March 2017
IOB-Cash credit	74,60,675		June 2013 - March 2017
SBI Global Factors Limited	9,92,18,413		October 2013 - March 2017
India Factoring and Finance Solutions Pvt Ltd	2,13,08,525		May 2014 - March 2017

- ix) The company has not raised moneys by way of Initial public offer, further public offer(including debt instruments )and term loans during the financial year.
- x) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the company noticed or reported during the course of our audit nor have been informed of any such instance by the management.
- xi) The Company has not paid / provided for any managerial remuneration for the year. So the provisions of section 197 read with Schedule V to the Act are not applicable.
- 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.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, there are no transactions with the related parties which require compliance with with sections 177 and 188 of the Companies Act,2013 during the year.
- xiv) According to the information and explanations give 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.
- 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.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **K Gopalakrishnan & Co**  
Chartered Accountants  
Firm's registration number: 009600S

**K Gopalakrishnan**  
Proprietor  
Membership number: 025421

Bangalore  
28<sup>th</sup> April 2017

## Annexure-B

### 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 Acropetal Technologies Limited ("the Company") as of 31 March 2017 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 ('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 Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

#### 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.



### **Reasons for Disclaimer**

During the financial year under audit only two accountants were carrying on the accounting functions. They were supported by part time financial consultants. There has been frequent shifting of the office. Hence the details of the Internal financial controls and documentation of policies and procedures are not made available.

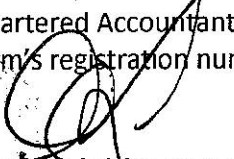
Because of the turnover in financial reporting personnel, we are unable to perform inquiries, observations, or other procedures to understand the flow of transactions and related controls in significant processes.

### **Disclaimer of Opinion**

The system of internal financial controls over financial reporting with regard to the Company were not made available to us to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company, and the disclaimer has affected our opinion on the financial statements of the standalone Company and we have issued a qualified opinion on the financial statements.

**For K Gopalakrishnan & Co**  
Chartered Accountants  
Firm's registration number: 009600S



**K Gopalakrishnan**  
Proprietor  
Membership number: 025421

Bangalore  
28<sup>th</sup> April 2017



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Acropetal Technologies Limited**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of M/s. ACROPETAL TECHNOLOGIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries namely Mindriver Information Technologies Private limited, Vision Info Inc (the Holding Company and its subsidiaries together referred to as "the ACROPETAL Group"), its associate namely Kinfotech Private Limited which comprise the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the 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 are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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. 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 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 financial statements based on conducting our audit in accordance with the Standards on Auditing under Section 143(10) of the Act. 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.

Because of the matter described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

## **Basis for Disclaimer Opinion:**

In the case of subsidiary companies and associate companies, none of the financials are audited and hence we are unable to express any opinion on this.

The company has not drawn profit and loss account for the subsidiaries as there is no operations or business during the year. There are secured loans in Mindriver Information Technologies Private Limited Rs.2,67,50,495/- and Vision Info Tech Rs.44,03,63,557/- the company has not provided any interest on such loans as the company claim that the matter is in the court.

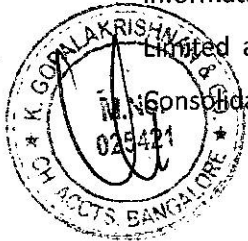
## **Opinion**

Based on the significance of the matter described in the Basis for Disclaimer of opinion paragraph, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion. Accordingly in our opinion

- (a) Due to non provision of interest on loan there is under statement of loss.
- (b) The consolidated financials are unaudited, we are unable to express an opinion on the financial statements.

## **Other Matters**

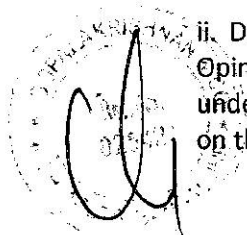
- (a) Neither we, nor any other auditors have audited the of two subsidiaries namely Mindriver Information Technologies Pvt Ltd, Vision Info Inc and associate company namely Kinfotech Private Limited and Binary Spectrum Softech Private Limited, whose financial information based on the Consolidated Trial Balance reflect total assets of Rs. 7.38 crores as at 31st March, 2017.



## Report on Other Legal and Regulatory Requirements

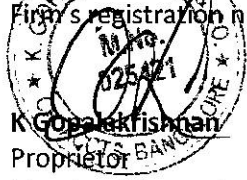
1. As required by Section 143 (3) of the Act, we report that:

- (a) As described in the basis for disclaimer of opinion we were unable to obtain all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit.
- (b) Due to the possible effects of the matter described in the Basis for disclaimer of opinion paragraph, we were unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance sheet, the Statement of Profit and Loss and the Cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) Due to the possible effects of the matter described in the Basis for disclaimer of opinion paragraph, we were unable to state in our opinion, whether the aforesaid Financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) The matter described in the Basis for Disclaimer of Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) We have neither been given written representation from the directors of Holding company nor received the statutory audit reports of the subsidiary companies in India for the year that none of the directors are disqualified as on 31.03.2017 from being appointed as directors in terms of Sec 164(2). So we are unable to report whether directors of Group companies are disqualified or not.
- (g) 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 A"; and
- (h) 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. Due to the possible effects of the matter described in the Basis for disclaimer of Opinion, we are unable to state whether the company has disclosed the impact of pending litigations on its financial position in its financial statements
  - ii. Due to the possible effects of the matter described in the Basis for disclaimer of Opinion, we are unable to state whether the company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any on the long term contracts including derivative contracts.



iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K Gopalakrishnan & Co  
Chartered Accountants  
Firm's registration number: 009600S



K Gopalakrishnan  
Proprietor  
Membership number: 025421

Bangalore  
28 April 2017

## **Annexure-A**

### **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 31 March 2017, we have audited the internal financial controls over financial reporting of Acropetal Technologies Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are 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 Companies Act, 2013.

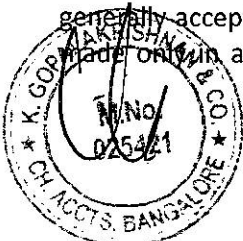
#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

#### **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)





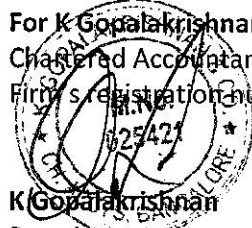
provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

### Disclaimer of Opinion

The system of internal financial controls over financial reporting with regard to the Company and its subsidiaries in India were not made available to us to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer has affected our opinion on the consolidated financial statements of the Company and we have issued a disclaimer of opinion on the consolidated financial statements.

For K Gopalakrishnan & Co  
Chartered Accountants  
Firm's registration number: 009600S

  
K Gopalakrishnan  
Proprietor  
Membership number: 025421

Bangalore  
28 April 2017



ACROPETAL TECHNOLOGIES LIMITED  
 Reg. Office: #74/75, 3rd Cross, 1st Main, N.S. Palya,  
 Bannerghatta Road, Bangalore - 560 076  
 Ph: 91 80 4908 4000 Fax: 91 80 4908 4100  
 CIN: L72900KA2001PLC028944  
 Website: www.acropetal.com, email: corp@acropetal.com

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017.

*Rupees in lakhs except share data*

Particulars	Standalone						Consolidated					
	For the Quarter ended			For the Year ended			For the Quarter ended			For the Year ended		
	31.03.2017 Audited	31.12.2016 Unaudited	31.03.2016 Audited	31.03.2017 Audited	31.03.2016 Audited	31.03.2017 Audited	31.03.2016 Audited	31.12.2016 Unaudited	31.03.2016 Audited	31.03.2017 Audited	31.03.2016 Audited	31.03.2016 Audited
<b>1. Income from Operations</b>	0.00	0.00	0.00	0.00	360.30	0.00	0.00	0.00	0.00	0.00	0.00	2,354.62
a) Net Sales/Income from Operations (Net of excise duty)												
b) Other Operating Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Income from operations (net)	0.00	0.00	0.00	0.00	360.30	0.00	0.00	0.00	0.00	0.00	0.00	2,354.62
<b>2. Expenses</b>												
a. Cost of Material Consumed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b. Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d. Employee benefits expense	0.00	0.00	11.17	5.48	367.96	0.00	0.00	0.00	0.00	11.17	5.48	2,129.47
e. Depreciation and Amortisation expenses	44.28	44.27	300.44	177.09	1,201.78	44.28	44.27	300.44	177.09	300.44	177.09	1,437.16
f. Other Expenses	11.87	80.13	41.84	41.84	194.72	11.87	8.17	80.90	41.84	80.90	41.84	261.66
Total Expenses	56.15	52.44	391.74	224.41	1,764.46	56.15	52.44	392.51	224.41	392.51	224.41	3,828.29
<b>3. Profit / (loss) from Operations before other income, finance costs and exceptional items (1 - 2)</b>	-56.15	-52.44	-391.74	-224.41	-1,404.16	-56.15	-52.44	-392.51	-224.41	-392.51	-224.41	-1,473.67
<b>4. Other Income</b>	0.00	0.00	11.59	30.45	118.87	0.00	0.00	11.59	30.45	11.59	30.45	129.58
<b>5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	-56.15	-52.44	-380.15	-193.96	-1,285.29	-56.15	-52.44	-380.92	-193.96	-380.92	-193.96	-1,350.09
<b>6. Finance Costs</b>	9.78	0.20	-888.07	10.10	0.76	9.78	0.20	-1,354.85	10.10	-1,354.85	10.10	3.24
<b>7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)</b>	-65.93	-52.64	507.92	-204.06	-1,286.05	-65.93	-52.64	-1,354.85	-204.06	-1,354.85	-204.06	-1,353.33
<b>8. Exceptional Items</b>	0.00	0.00	-76.87	0.00	124.00	0.00	0.00	-76.87	0.00	-76.87	0.00	-124.00
<b>9. Profit / (Loss) from Ordinary Activities before tax (7 + 8)</b>	-65.93	-52.64	584.79	-204.06	-1,162.05	-65.93	-52.64	-1,050.80	-204.06	-1,050.80	-204.06	-1,229.33
<b>10. Tax Expense</b>	5.19	0.00	5.24	5.19	5.24	5.19	0.00	5.24	5.19	5.24	5.19	5.24
<b>11. Net Profit / (Loss) from Ordinary Activities after tax (9 + 10)</b>	-71.12	-52.64	579.55	-209.25	-1,167.29	-71.12	-52.64	-1,045.56	-209.25	-1,045.56	-209.25	-1,234.57
<b>12. Extraordinary items (Net of Tax expense Rs.)</b>	0.00	0.00	5,616.14	0.00	5,616.14	0.00	0.00	5,616.14	0.00	5,616.14	0.00	5,616.14
<b>13. Net Profit / (Loss) for the period (11 + 12)</b>	-71.12	-52.64	-5,036.59	-209.25	-6,783.43	-71.12	-52.64	-4,570.58	-209.25	-4,570.58	-209.25	-6,850.71
<b>14. Share of profit / (loss) of Associates</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	198.23	0.00	198.23	0.00	0.00
<b>15. Minority Interest</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>16. Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 + 14 + 15)</b>	-71.12	-52.64	-5,036.59	-209.25	-6,783.43	-71.12	-52.64	-4,768.81	-209.25	-4,768.81	-209.25	-6,850.71
<b>17. Paid-up equity share capital (Face Value Rs. 10 each)</b>	3,889.03	3,889.03	3,889.03	3,889.03	3,889.03	3,889.03	3,889.03	3,889.03	3,889.03	3,889.03	3,889.03	3,889.03
<b>18. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year</b>	-11,718.36	-11,650.00	-11,505.80	-11,721.16	-11,505.80	-11,721.16	-11,505.80	-21,526.39	-11,721.16	-21,526.39	-11,721.16	-21,382.20
<b>19. Earnings Per Share (before extraordinary items) (of Rs. 10/- each) (not annualised):</b>												
a) Basic	-0.18	-0.14	1.49	-0.54	-3.00	-0.18	-0.14	2.68	-0.54	2.68	-0.54	-3.17
b) Diluted	-0.18	-0.14	1.49	-0.54	-3.00	-0.18	-0.14	2.68	-0.54	2.68	-0.54	-3.17
<b>19. Earnings Per Share (after extraordinary items) (of Rs. 10/- each) (not annualised):</b>												
a) Basic	-0.18	-0.14	-12.95	-0.54	-17.44	-0.18	-0.14	-12.26	-0.54	-12.26	-0.54	-17.62
b) Diluted	-0.18	-0.14	-12.95	-0.54	-17.44	-0.18	-0.14	-12.26	-0.54	-12.26	-0.54	-17.62

**B. INVESTORS COMPLAINTS**

<i>Pending at the beginning of the quarter</i>	<b>204</b>
<i>Received during the quarter</i>	<b>2</b>
<i>Disposed of during the quarter</i>	<b>0</b>
<i>Remaining unresolved at the end of the quarter</i>	<b>206</b>

# All Complaints pertain to the non-payment of dividend for the year 2011-12

**Notes:**

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors in the meetings held on 28th April 2017

2. The Consolidated Unaudited Financial results include the results of its subsidiaries and Associates as given below:

Name of Subsidiary	% of Shareholding
Vision Info Inc. (UAE)	100
Acropetal Inc. (USA)	Nil
Kinfotech Pvt. Ltd.	48
MIndriver Information Technologies Private Limited	100

Note: During the year in the financial statements the revenue of Acropetal Inc was included for the period April 2015 to Dec 2015, since Acropetal Inc ceased to be subsidiary w.e.f 4th January, 2016, So the assets and liabilities of Acropetal Inc as on 31st March 2016 have not been considered in the consolidated financials.

3. The figures of the previous period/year have been regrouped/re-arranged and/or recast wherever found necessary.

4. The consolidated Audited financial results are prepared in accordance with the principles and procedures for the presentation of the Consolidated Financial Statements as set out in the Accounting Standard 21 on Consolidated Financial Statements mandated by Rule 3 of the Companies ( Accounting Standards) Rules 2006

5. The company has been passing through some financial difficulties, due to this -

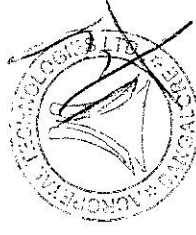
i) The company borrowings outstanding to the tune of Rs. 9,795.13 lakhs have been classified as Non-Performance Assets by the financial institutions and have become payable in full.

ii) The company is facing difficulties in paying statutory dues to Service Tax & TDS departments.

iii) The company declared dividend in FY2011-12, out of the declared amount partial amount has been paid and the balance is still to be paid

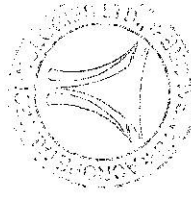
iv) In spite of all these, the company is generally paying salaries to the employees. The statutory dues are being paid in partial amounts and for the balance amounts the company has offered its properties for attachments to sell. The loan amounts with the lenders are sufficiently covered by the collateral securities provided to them. The company is working in parallel on various other options to close all the pending dues.

v) The company has accumulated losses and its network has been drastically reduced and the company has incurred a net loss of Rs. 68.32 crores during the fourth quarter and Rs. 68.32 crores for the year ended 31.03.2017.



## 6. Segment wise Revenue and Results

Particulars	Standalone						Consolidated					
	For the Quarter ended			For the Year ended			For the Quarter ended			For the Year ended		
	31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016	31.03.2016	31.03.2017	31.12.2016	31.03.2016	31.03.2016	31.03.2017	31.03.2016
1. Segment Revenue												
(net sale/income from each segment should be disclosed under this head)												
a) Engineering Design Service	0.00	0.00	0.00	0.00	119.43	0.00	0.00	0.00	0.00	0.00	0.00	780.56
b) Information Technology Service	0.00	0.00	0.00	0.00	240.87	0.00	0.00	0.00	0.00	0.00	0.00	1,574.06
c) Health Care	0.00	0.00	0.00	0.00	360.30	0.00	0.00	0.00	0.00	0.00	0.00	2,354.62
Total	0.00	0.00	0.00	0.00	360.30	0.00	0.00	0.00	0.00	0.00	0.00	2,354.62
Less: Inter Segment Revenue												
Net sales/Income From Operations	0.00	0.00	0.00	0.00	-53.93	0.00	0.00	0.00	0.00	0.00	0.00	95.61
2. Segment Results (Profit)/Loss (-) before tax and interest from Each segment												
a) Engineering Design Service	-11.86	-8.17	-14.23	-47.31	-24.44	-11.86	-11.86	-8.17	-15.20	-47.31	-47.31	-8.12
b) Information Technology Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Health Care	-11.86	-8.17	-14.43	-47.31	-78.37	-11.86	-11.86	-8.17	-15.20	-47.31	-47.31	87.49
Total	9.78	0.20	-888.07	10.10	0.76	9.78	9.78	0.20	-1,354.85	10.10	10.10	3.24
i) Interest	44.28	44.27	300.44	177.09	1,201.78	44.28	44.28	44.27	300.44	177.09	177.09	1,437.16
ii) Other Un-allocable Expenditure net off	0.00	0.00	11.59	30.45	118.87	0.00	0.00	0.00	11.59	30.45	30.45	123.58
(iii) Un-allocable income	0.00	0.00	5,616.14	0.00	5,616.14	0.00	0.00	0.00	5,616.14	0.00	0.00	5,616.14
(iv) Extraordinary Items	-65.92	-52.64	-5,031.35	-204.05	-6,778.18	-65.92	-65.92	-52.64	-4,565.34	-204.05	-204.05	-6,845.47
Total Profit Before Tax												



By Order of the Board  
For Acropetal Technologies Ltd.,

*[Signature]*  
Chairman & Managing Director

Date: 28th April 2017

Place: Bangalore

**AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH,2017.**

Particulars	(Rs in Lakhs)			
	Standalone		Consolidated	
	For the year ended		For the year ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	Audited	Audited	Audited	Audited
<b>A EQUITY AND LIABILITIES</b>				
<b>1. SHARE HOLDERS FUND:-</b>				
(a) Share Capital	3,889.03	3,889.03	3,889.03	3,889.03
(b) Reserves & Surplus	(11,721.16)	(11,505.80)	(21,597.56)	(21,382.21)
(c) Money received Against share warrants	-	-	-	-
<b>Sub-Toatl-Shareholders Fund</b>	<b>(7,832.13)</b>	<b>(7,616.77)</b>	<b>(17,708.53)</b>	<b>(17,493.18)</b>
<b>2. Sahre application money pending allotment</b>	-	-	-	-
<b>3. Minority Interest</b>	-	-	-	-
<b>4. Non - Current Liabilities</b>				
(a) Long Term Borrowings	-	-	-	-
(b) deferred tax liabilities (net)	-	-	-	-
(c) Other long-term liabilities	-	-	-	-
(d) Long term provision	-	-	37.99	37.99
<b>Sub- total - Non-current liabilities</b>	-	-	37.99	37.99
<b>5. Current liabilities</b>				
(a) Short-term borrowings	10,481.73	10,504.89	19,658.79	19,681.95
(b) Trade Payables	-	-	336.06	336.06
(c) Other current liabilities	5,053.80	5,093.03	5,777.82	5,817.05
(d) Short term provisions	-	-	-	-
<b>Sub-total -Current Liabilities</b>	<b>15,535.53</b>	<b>15,597.92</b>	<b>25,772.67</b>	<b>25,835.06</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,703.40</b>	<b>7,981.15</b>	<b>8,102.13</b>	<b>8,379.87</b>
<b>B ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Fixed assets	3,297.76	3,474.85	3,486.63	3,663.71
(b) Goodwill on consolidation	-	-	1,285.91	1,285.91
(C) Non - current investment	1,851.79	1,851.79	420.00	420.00
(d) Deferred tax assets (net)	353.67	358.86	353.67	358.87
(e) Long term loans and advances	1,486.03	1,495.28	1,419.53	1,428.77
(f) other non- current assets	-	-	-	-
<b>Sub -total-Current assets</b>	<b>6,989.25</b>	<b>7,180.78</b>	<b>6,965.74</b>	<b>7,157.26</b>
<b>2. Current assets</b>				
(a) Current investments	-	-	-	-
(b) Inventories	-	-	-	-
(C) Trade receivables	398.85	485.17	398.85	485.17
(d) Cash and cash equivalents	7.86	8.28	19.06	19.48
(e) Short - term loans and advances	307.44	306.92	718.48	717.96
(f) Other current assets	-	-	-	-
<b>Sub-total-Current assets</b>	<b>714.15</b>	<b>800.37</b>	<b>1,136.39</b>	<b>1,222.61</b>
<b>TOTAL - ASSETS</b>	<b>7,703.40</b>	<b>7,981.15</b>	<b>8,102.13</b>	<b>8,379.87</b>



By Order of the Board  
For Acropetal Technologies Ltd.

*D. Ravi Kumar*  
D. Ravi Kumar  
Chairman & Managing Director

Place: Bangalore  
Date: 28th April 2017