

ANNAMALAI ASSOCIATES

CHARTERED ACCOUNTANTS



Independent Auditor's Report on Consolidated Financial Statements

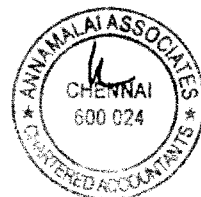
To

The Members of
APA Engineering Private Limited

We have audited the accompanying consolidated financial statements of APA Engineering Private Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, 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 is 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 Group including its Associates and Jointly controlled entities 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 and of its associates and jointly controlled entities 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



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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.

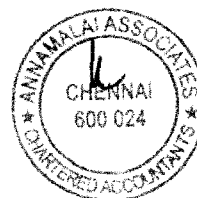
Auditor's Responsibility

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 the 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 control 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters



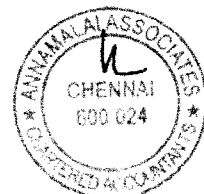
paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit/loss and their consolidated 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"), as amended, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary company, associate companies and jointly controlled companies incorporated in India, we give in the **Annexure 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, 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 purposes 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 it appears from our examination of those books and the reports of the other auditors.
 - (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 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled



companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

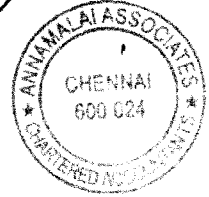
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities.
 - The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

Place : Chennai
Date : May 09,2016

For Annamalai Associates
Chartered Accountants



CA.K.K.Nilakanthan
Partner
Mem No. 027208
FR No. 000185S



“Annexure A” to the Independent Auditors’ Report

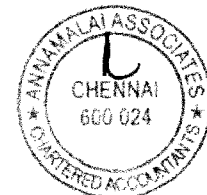
Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner , designed to cover all the items over a period of three years, which in our opinion is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.
2. (a) The management has conducted the physical verification of inventory at reasonable intervals.

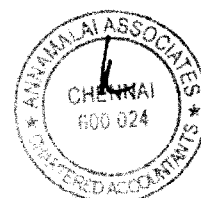
(b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
4. 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 Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.



6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute except the following.

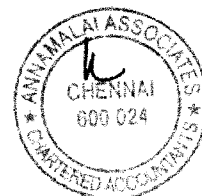
Name of the Statute	Nature of dues	Amount in Rs	Period to which it relates	Forum Where dispute is pending
IT Act 1961	Income Tax (RPC)	14,12,810	Apr 2006- Mar 2007	CIT , Appeals, Chennai
IT Act 1961	Income Tax (RPC)	14,76,340	Apr 2007 - Mar 2008	CIT , Appeals, Chennai
IT Act 1961	Income Tax (RPC)	27,45,510	Apr 2008- Mar 2009	CIT , Appeals, Chennai
IT Act 1961	Income Tax (RPC)	8,68,030	Apr 2009 - Mar 2010	CIT , Appeals, Chennai
IT Act 1961	Income Tax (RPC)	9,96,482	Apr 2009 - Mar 2010	CIT , Appeals, Chennai
IT Act 1961	Income Tax	7,06,795	Apr 2009 - Mar 2010	CIT , Appeals, Chennai
IT Act 1961	Income Tax	19,23,391	Apr 2010- Mar 2011	CIT , Appeals, Chennai

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial



public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

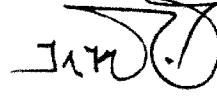
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act:
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.



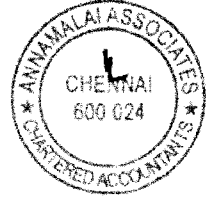
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place : Chennai
Date : May 09,2016

For Annamalai Associates
Chartered Accountants



CA.K.K.Nilakanthan
Partner
Mem No. 027208
FR No. 000185S



"Annexure B" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of APA Engineering Private limited

Report on the Internal Financial Controls Under a 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 APA Engineering Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the Consolidated 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. Their 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. 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 ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 judgement, 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

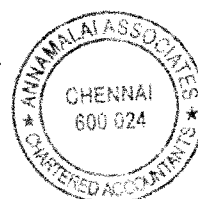
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016.

Place : Chennai
Date : May 09, 2016

For Annamalai Associates
Chartered Accountants



CA. K. K. Nilakanthan
Partner
Mem No. 027208
FR No. 000185S



APA Engineering Private Limited
Consolidated Balance Sheet as at

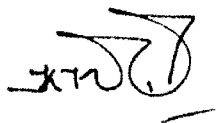
		Amount in ₹		
	Particulars	Note	Mar 31, 2016	Mar 31, 2015
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2.1	518,940	518,940
	(b) Reserves and surplus	2.2	137,273,984	106,470,740
2	Non-current liabilities			
	(a) Deferred tax liabilities (Net)		2,848,889	2,585,000
	(b) Long-term provisions	2.3	561,043	561,043
3	Current liabilities			
	(a) Short-term borrowings	2.4	13,035,192	5,481,657
	(b) Trade payables	2.5	156,106,014	170,503,902
	(c) Other current liabilities	2.6	6,093,511	39,502,158
	(d) Short Term Provisions	2.7	156,145	1,853,447
	TOTAL		316,593,718	327,476,887
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets	2.8		
	(i) Tangible assets		37,880,617	32,506,166
	(ii) Intangible assets		3,646,577	2,887,899
	(b) Long-term loans and advances	2.9	1,423,998	605,355
2	Current assets			
	(a) Current investments	2.10	16,703,706	13,500,000
	(b) Inventories	2.11	38,134,879	73,981,177
	(c) Trade receivables	2.12	172,389,682	149,303,014
	(d) Cash and cash equivalents	2.13	31,322,803	26,421,791
	(e) Short-term loans and advances	2.14	15,091,456	28,271,485
	TOTAL		316,593,718	327,476,887
Significant Accounting Policies & Notes to the Accounts		1 & 2		

"As per our report of even date"

For ANNAMALAI ASSOCIATES

Chartered Accountants

Firm's Registration No.: 0001855



CA. K.K. Nilakanthan

Partner

Membership No.: 027208



For and on behalf of the Board of Directors



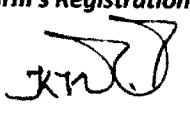
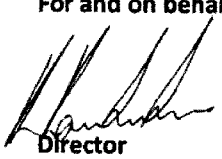


Director

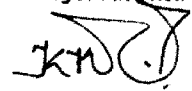

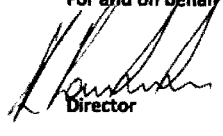
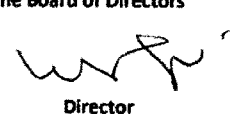


Director

Place : Chennai

Date : May 09, 2016

APA Engineering Private Limited				
Consolidated Statement of Profit and Loss for the year ended				
			Amount in ₹	
	Particulars	Note	Mar 31, 2016	Mar 31, 2015
I.	Revenue from operations	2.15	1,010,585,617	840,683,770
II.	Other income, (net)	2.16	3,752,490	6,375,360
III.	Total Revenue		1,014,338,107	847,059,130
IV.	Expenses:			
	Cost of Revenue	2.17	843,309,838	726,949,267
	Employee benefit expenses	2.18	80,411,052	56,985,580
	Finance costs	2.19	382,143	399,982
	Depreciation	2.8	4,674,781	5,053,186
	Other expenses	2.20	31,887,873	22,326,416
	Total expenses		960,665,687	811,714,431
V.	Profit before tax		53,672,420	35,344,699
VI.	Tax expense:	2.21		
	(a) Current tax		17,642,551	11,770,979
	(b) Deferred tax		263,889	(163,088)
	(c) Short\ (Excess) provision for earlier years		-	1,133,794
VII.	Profit after tax		35,765,980	22,603,014
	Minority Interest		-	261,929
VIII.	Profit for the year		35,765,980	22,341,085
	Earnings per equity share:			
	Equity shares of par value ₹ 10/- each			
	Basic		51,894	51,894
	Diluted		689	431
	Weighted average number of equity shares used in computing earnings per share			
	Basic		51,894	51,894
	Diluted		51,894	51,894
Significant Accounting Policies & Notes to the Accounts		1 & 2		
"As per our report of even date"				
For ANNAMALAI ASSOCIATES Chartered Accountants Firm's Registration No.: 0001855			For and on behalf of the Board of Directors	
 CA. K. K. Nilakanthan Partner Membership No.: 027208			 Director	
			 Director	
Place : Chennai Date : May 09, 2016				

APA Engineering Private Limited Consolidated Cash Flow Statement for the year ended				
Particulars	Mar 31, 2016		Mar 31, 2015	
	₹	₹	₹	₹
A. Cash Flow arising from Operating Activities				
Profit before tax and exceptional items		53,672,420		35,344,699
Add:				
1. Depreciation	4,674,781		5,053,186	
2. Interest Charges	382,143		399,982	
3. Provision for Gratuity & Leave Encashment	-		816,233	
4. Interest Income	(797,787)		(2,719,078)	
5. Loss on sale of asset	-		(75,000)	
6. Dividend Income	(277,837)			
7. Foreign Exchange Adjustments -Loss /(Gain) -net	5,406,305		2,912,793	
		9,387,605		6,388,116
Operating Profit before Working Capital Changes		63,060,025		41,732,815
Working Capital Changes				
1. (Increase) / Decrease in Trade Receivables	(28,492,973)		(4,419,103)	
2. (Increase)/Decrease in Inventories	35,846,298		(39,793,620)	
3. (Increase)/Decrease in Loans and advances	12,361,386		3,923,797	
4. Increase / (Decrease) in Trade payables & Other Liabilities	(67,649,239)		62,988,010	
Net Working Capital Changes		(47,934,528)		22,699,084
Cash Flow from Operations		15,125,497		64,431,899
Direct Tax Paid		(845,166)		(7,660,214)
Net Cash from operating Activities		14,280,331		56,771,685
B. Cash Flow from Investing Activities				
1. Interest Received	797,787		2,719,078	
2. Increase in capita reserve on merger	-		(12,000,000)	
3. Purchase of Fixed Assets	(10,807,911)		(3,653,133)	
4. Profit on Sale of assets	-		75,000	
5. Purchase of Investments	(3,203,706)		-	
6. Fixed Assets additions on account of Merger	(5,173,339)		-	
7. Dividend from Investments	277,837		(4,500,955)	
8. Adjustments on account of Merger	15,003,895		-	
9. Adjustments on account of investments	-		(24,610,154)	
10. Adjustments on capital reserve on consolidation	(9,354,113)			
Net Cash used in Investing Activities		(12,459,550)		(41,970,164)
C. Cash Flow from Financing Activities				
1. Interest paid	(382,143)		(399,982)	
2. Increase/(Decrease) in borrowings, Net	7,553,535		(14,465,016)	
3. Dividend Paid/Proposed	(4,281,254)			
4. Increase/(Decrease) in Foreign Exchange Fluctuation	190,093		38,396	
		3,080,231		(14,826,602)
Net Increase/ (Decrease) In cash and Cash equivalents		4,901,012		(25,081)
Cash and Cash equivalents as at the beginning of the		26,421,791		26,446,872
Cash and Bank balances as per Balance Sheet		31,322,803		26,421,791
"As per our report of even date"				
For Annamalai Associates Chartered Accountants Firm's Registration No.: 0001855  CA.K.K.Nilakanthan Partner Membership No.: 027208  Place : Chennai Date : May 09, 2016				
For and on behalf of the Board of Directors  Director  Director				

APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

1. Significant Accounting Policies

1.1. Basis of Preparation

The accounts have been prepared on historical cost convention basis in accordance with generally accepted accounting principles in India. The Company adopts the accrual system of accounting unless otherwise stated. The company has adopted the going concern concept of accounting.

1.2. Principles of Consolidation

The financial statements of the subsidiary companies used for consolidation are drawn up to the same reporting date as of the company. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All material intercompany transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable.

b) The excess of cost to the company of its investments in subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in subsidiary companies are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the company, it is recognized as 'Capital Reserve' in the consolidated financial statements.

c) Minority interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investment.

1.3. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known / materialized.

1.4. Valuation of Inventories

Inventories are valued at the lower of cost, computed on a weighted average basis, and estimated net realizable value after providing for cost of obsolescence and other anticipated losses, the cost comprises of cost incurred in bringing inventories to their present location and condition.



APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

1.5. Cash Flow Statement

Cash Flows are reported using the Indirect Method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash Flows from regular revenue generating, investing and financing activities of the company are segregated. The Cash flow statement forms part of the financial statements.

1.6. Depreciation Accounting

The Company has provided depreciation on all assets on Straight Line Method prescribed by Companies Act, 2013.

1.7. Revenue Recognition

1. Sales are recognized when invoices raised and are recorded net of trade discounts, rebates, sales tax and excise duties.

2. Software & Consultancy Revenue

The Contracts between the Company and its customers are either Time and Material contracts or Fixed Price contracts.

- a. Revenue from fixed-price contracts is recognized according to the milestones achieved as specified in the contracts on the Proportionate Completion Method based on the work completed. Any anticipated losses expected upon the contract completion are recognized immediately. Changes in job performance, conditions and estimated profitability may result in revisions and corresponding revenues and costs are recognized in the year in which such changes are identified.
- b. In respect of time and material contract, revenue is recognized in the year in which the services are provided. Unbilled revenue represents cost and earnings in excess of billings while unearned revenue represents the billing in excess of cost and earnings.
- c. Revenue from product sale and licensing arrangements are recognized on delivery and installation.

3. Other Incomes

- (a) Interest income is recognized using time proportion method based on rates implicit in the transaction.
- (b) Dividend income is recognized when the company's right to receive dividend is established.



APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

1.8. Fixed Assets

Fixed assets are capitalized at acquisition cost, which comprises of freight, installation cost, duties, taxes and other directly attributable cost of bringing the assets to its working condition for the intended use. Individual low costs assets (acquired for ₹ 5,000 or less) are depreciated over the period of one year from the date of acquisition.

1.9. Foreign Exchange Transaction

- i. All monetary items denominated in foreign currency are reflected at the rates prevailing on the Balance Sheet date.
- ii. Income and expenditure involving foreign exchange are translated at the exchange rate prevailing on the dates of transaction.
- iii. Exchange differences, if any arising on account of fluctuations in foreign exchange has been duly reflected in the Statement of Profit and Loss.

1.10. Investments

All investments are long term investments based on their nature and intended holding period and are carried at cost. Cost comprises of transfer fee, stamp paper, brokerage etc., Any decline in the value of the long-term investments, other than a temporary decline, is recognized and charged to the Statement of Profit & Loss.

1.11. Retirement Benefits

- a. Contributions to defined contribution schemes such as Provident Fund are charged to the Statement of Profit and Loss as incurred. The liability is not funded.
- b. The Company estimates its liability towards employees Gratuity based on actuarial valuation carried out as at the Balance Sheet date.
- c. Accumulated compensated absences is recognized based on the eligible leave at credit on the Balance Sheet date and is determined on the basis of the estimated cost as per the terms of employment contract.

1.12. Borrowing Cost

The Company has not availed any term loan. Interest on working capital facilities is charged to the Statement of Profit and Loss and hence there is no Borrowing Cost.

1.13. Segment Reporting

The Company has identified Business Segment as its Primary Segment and Geographic segment as the secondary segment. The Company has identified Software Products & Consultancy Services and E-Business Solutions as the reportable segment of the company for the year. Geographical segment information is disclosed based on the location of customers.

1.14. Earnings Per Share

Basic Earnings per Share and Diluted Earnings per Share are calculated by dividing the Net Profit after Tax for the year attributable to the Equity Shareholders by the Weighted Average Number of Shares outstanding during the period.



APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

1.15. Taxes on Income

Current Tax is determined in accordance with the provisions of Income tax Act, 1961.

Deferred tax has been determined as per Accounting Standard AS 22 issued by the Institute of Chartered Accountants of India.

1.16. Provisions, Contingent Liabilities & Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is possible that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.



APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

2. Notes to the Accounts

2.1. Share Capital

2.1.1. The particulars of authorized, issued, subscribed & fully paid up Share Capital;

Particulars	As at Mar 31, 2016		As at Mar 31, 2015	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 10/- each	500,000	5,000,000	500,000	5,000,000
Issued, Subscribed & Paid up fully				
Equity Shares of ₹ 10/- each	51,894	518,940	51,894	518,940
Total	51,894	518,940	51,894	518,940

2.1.2. Reconciliation of the number of shares outstanding at the beginning and at the end of the year is as given below;

Particulars	As at Mar 31, 2016		As at Mar 31, 2015	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	51,894	518,940	51,894	518,940
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	51,894	518,940	51,894	518,940

2.1.3. Holding Company

30,128 Equity Shares (30,128) are held by TAKE Solutions Limited, the holding company.

2.1.4. Equity Shareholder holding more than 5% of equity shares along with the number of equity share held at the end of the year;

Name of Shareholder	As at Mar 31, 2016		As at Mar 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
TAKE Solutions Limited	30,128	58%	30,128	58%
Mr. K. Vaidynathan	10,883	21%	10,883	21%
Mr. K. Ramakrishnan	10,883	21%	10,883	21%



APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

2.2. Reserves & Surplus

Particulars	As at Mar 31, 2016	As at Mar 31, 2015
(a) Capital Reserve on Consolidation	-	9,354,113
(b) Securities Premium Account at the beginning and end of the year	4,617,240	4,617,240
(c) General Reserve at the beginning and end of the year	2,630,021	2,630,021
(d) SEZ Re-Investment Allowance Reserve		
Opening Balance	-	5,000,000
Less: Utilised for Capitalization of assets	-	5,000,000
Closing balance	-	-
(e) Foreign Currency Translation Reserve	228,489	38,396
(f) Surplus (Balance in the Statement of Profit and Loss)		
Opening balance	89,830,970	68,002,173
Add: Net Profit/(Loss) for the year	35,765,980	22,341,085
Amounts available for appropriations	125,596,950	90,343,258
Less: Appropriations;		
Interim Dividend	4,151,520	19,273,979
Proposed Final Dividend	129,734	-
Dividend Distribution Tax	871,577	5,105,002
Adjustments on account of acquisitions/merger	2,824,890	(19,273,979)
Adjustments as per Sch II of Companies Act, 2013	-	407,286
Add: SEZ Re Investment Allowance Reserve Capitalization	-	(5,000,000)
Add: Adjustment to merger/Acquisition	12,179,005	
Closing Balance	129,798,234	89,830,970
Total	137,225,994	100,812,704



APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

2.3. Long-Term Provisions

Particulars	As at Mar 31, 2016	As at Mar 31, 2015
₹	₹	₹
Provision for employee benefits		
- Gratuity (Unfunded)	561,043	561,043
Total	561,043	561,043

2.4. Short-Term Borrowings

Particulars	As at Mar 31, 2016	As at Mar 31, 2015
₹	₹	₹
Secured		
Loans repayable on demand from Banks	13,035,192	5,481,657
(PCFC loan from HDFC Bank Ltd is secured primarily by exclusive charge on the entire current assets of the company, collateral security-Corporate Guarantee by TAKE Solutions Ltd and Personal Guarantee by the Directors)		
Total	13,035,192	5,481,657

2.5. Trade Payables

Particulars	As at Mar 31, 2016	As at Mar 31, 2015
₹	₹	₹
Trade Payables	156,106,014	170,503,902
Total	156,106,014	170,503,902

2.6. Other Current Liabilities

Particulars	As at Mar 31, 2016	As at Mar 31, 2015
₹	₹	₹
Advance received from customers	49,956	34,807,024
Employee related liabilities	5,221,253	3,723,513
Statutory payables	822,302	971,621
Total	6,093,511	39,502,158



APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

2.7. Short-Term Provisions

Particulars	As at Mar 31, 2016	As at Mar 31, 2015
	₹	₹
Equity Dividend Payable	129,734	-
Dividend Tax Payable	26,411	-
Provision for tax	-	1,853,447
Total	156,145	1,853,447



APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2016

2.8. Fixed Assets

	Gross Block			Accumulated Depreciation		Net Block	
	Balance as at Mar 31, 2015	Additions Mar 31, 2015	Disposals Mar 31, 2015	Balance as at Mar 31, 2015	Depreciation for the year Mar 31, 2016	Balance as at Mar 31, 2016	Balance as at Mar 31, 2015
Tangible Assets							
Buildings	20,738,605	5,701,055	-	2,182,539	364,024	23,893,097	18,556,066
Computers & System Software	7,856,518	1,102,569	-	5,351,191	1,423,069	2,184,827	2,505,327
Plant and machinery	2,779,760	66,164	-	1,187,333	237,427	1,421,164	1,592,427
Furniture and Fixtures	3,972,978	134,070	-	1,213,646	367,617	2,525,785	2,759,332
Office equipments	8,176,489	1,315,149	-	4,445,332	824,313	4,221,993	3,731,157
Vehicles	4,399,982	917,290	-	1,038,125	645,396	3,633,751	3,361,857
Sub Total	37,753,332	8,126,137	-	15,118,166	3,631,246	37,890,617	32,506,166
Intangible Assets							
Computer software	5,952,992	1,571,614	-	3,065,093	812,935	3,646,577	2,887,899
Sub Total	5,952,992	1,571,614	-	3,065,093	812,935	3,646,577	2,887,899
Grand Total	43,706,324	9,697,751	-	18,183,259	4,444,181	43,527,194	35,394,065



APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

2.9. Long-Term Loans and Advances

Particulars	As at Mar 31, 2016	As at Mar 31, 2015
	₹	₹
Security Deposits (Unsecured, considered good)		
- Rent Deposit	98,978	175,178
- Electricity Deposit	494,895	329,790
- Others	75,688	100,387
Others - Advance income tax (Net Adjustments)	754,437	-
Total	1,423,998	605,354

2.10. Current Investments

Particulars	As at Mar 31, 2016	As at Mar 31, 2015
	₹	₹
Other Investments		
Investments in Mutual funds	16,703,706	13,500,000
Total	16,703,706	13,500,000

Notes:

Particulars	As at Mar 31, 2016		As at Mar 31, 2015	
	Units	₹	Units	₹
Investments in Mutual Fund				
(Unquoted and Non Trade)				
(a) Birla Sun Life Mutual Fund	12,771.392	500,000	-	-
(b) TATA Purity Equity Fund	-	-	13,633	500,000
(c) Birla SL Dynamic Bond Reg G	66,426.351	1,500,000	66,426	1,500,000
(d) IDFC SSI Medium-term Reg G	172,160.746	4,000,000	172,161	4,000,000
(e) Kotak Bond Short-term Reg G	155,289.751	4,000,000	155,290	4,000,000
(f) Reliance Short-Term G	136,848.469	3,500,000	136,848	3,500,000
(g) L & T India Prudence Fund	167,298.684	3,000,000	-	-
(h) L & T Equity Fund	11,244.830	203,706	-	-
Total	727,190.763	16,703,706	544,358	13,500,000

APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

2.11. Inventories

Particulars	As at Mar 31, 2016	As at Mar 31, 2015
Stock -in-Trade (Valued at cost price)	38,134,879	73,981,177
Total	38,134,879	73,981,177

2.12. Trade Receivables

Particulars	As at Mar 31, 2016	As at Mar 31, 2015
Trade receivables outstanding for a period of more than six months from the date they are due for payment Unsecured, considered good	1,916,564	2,253,200
Trade receivables outstanding for a period of less than six months from the date they are due for payment Unsecured, considered good	170,473,118	147,049,814
Total	172,389,682	149,303,014

2.13. Cash & cash Equivalents

Particulars	As at Mar 31, 2016	As at Mar 31, 2015
Current accounts with banks	23,189,048	15,908,638
Bank deposits with more than 12 months maturity	8,128,005	10,497,789
Cash on hand	5,750	15,364
Total	31,322,803	26,421,791

2.14. Short-Term Loans and Advances

Particulars	As at Mar 31, 2016	As at Mar 31, 2015
Unsecured, considered good		
Others - Advance to Employees	1,262,777	1,937,679
Others - Advance to Suppliers	13,828,679	26,333,806
Total	15,091,456	28,271,485



APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

2.15. Revenue from Operations

Particulars	For the year ended Mar 31, 2016	For the year ended Mar 31, 2015
Income from e- Business Solutions	868,263,122	735,214,670
Income from Software Services and Products	142,322,495	105,469,100
Total	1,010,585,617	840,683,770

2.16. Other Income

Particulars	For the year ended Mar 31, 2016	For the year ended Mar 31, 2015
Interest Income	797,787	2,719,078
Other non-operating income	-	649,176
Dividend Income	277,837	-
Profit on Redemption of Mutual funds	-	2,932,106
Profit on sale of Asset	-	75,000
Other non-operating income	2,676,866	-
Total	3,752,490	3,375,360

2.17. Cost of Revenue

Particulars	For the year ended Mar 31, 2016	For the year ended Mar 31, 2015
E-Business Expenses	824,227,475	714,048,060
Software & Consultancy Expenses	19,082,363	12,901,207
Total	843,309,838	726,949,267

2.18. Employee Benefit Expenses

Particulars	For the year ended Mar 31, 2016	For the year ended Mar 31, 2015
Salaries & Allowances	74,351,510	52,673,654
Contribution to PF & Other Funds	2,874,279	2,199,510
Gratuity & Other Benefits	918,788	816,233
Staff Welfare	2,266,475	1,296,183
Total	80,411,052	56,985,580



APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

2.19. Finance Cost

Particulars	For the year ended Mar 31, 2016	For the year ended Mar 31, 2015
Interest Expenses	382,143	345,982
Others	-	54,000
Total	382,143	399,982

2.20. Other Expenses

Particulars	For the year ended Mar 31, 2016	For the year ended Mar 31, 2015
Audit Fees	301,117	296,175
Bank Charges	427,313	642,625
Charity (Others)	53,688	-
Communication Expenses	1,979,778	1,691,656
Electricity Expenses	1,506,792	902,821
Foreign Exchange Loss/(Gain)-net	5,406,305	2,912,793
Insurance	627,967	323,277
Legal & Professional Expenses	7,247,425	5,054,288
Marketing Expenses	1,420,058	1,958,450
Office Expenses	130,153	96,126
Postage & Telegrams	442,137	433,778
Printing & Stationery	392,755	238,734
Rates & Taxes	623,040	809,138
Rent	676,440	453,900
Repairs & Maintenance - Others	1,249,419	970,424
Repairs & Maintenance - Plant & Equipment	1,181,512	46,200
Security Charges	547,580	442,263
Subscription Charges	33,500	5,000
Travelling Expenses	7,640,894	5,048,768
Total	31,857,625	27,126,116

APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

2.21. Tax Expenses

Particulars	For the year ended Mar 31, 2016	For the year ended Mar 31, 2015
	₹	₹
Current Tax	17,642,551	11,770,979
Deferred Tax	263,889	(163,088)
Short\ (Excess) Provision for earlier years	-	1,133,794
Total	17,906,440	12,741,685

2.22. Earnings Per Share

Particulars	For the year ended Mar 31, 2016	For the year ended Mar 31, 2015
	₹	₹
Net Profit after tax	35,765,980	22,341,085
No of Equity Shares	51,894	51,894
Earnings per share Basic and diluted (Face value of ₹ 10/- each)	690	430

2.23. Related Party Disclosure

A) Holding Company

TAKE Solutions Limited, India

B) Subsidiary Companies

RPC India Private Limited, India (Merged with APA Engineering Pvt Ltd w.e.f. 01.04.2015)
 APA Engineering Pte Ltd, Singapore

C) Fellow Subsidiaries

Navitas LLP (Formerly known as TAKE Solutions Global LLP)
 TAKE Solutions Global Holdings Pte Ltd, Singapore

D) Key Management Personals

Mr. K. Vaidyanathan
 Mr. K. Ramakrishnan
 Mr. Srinivasan H.R
 Mr. G. Ramesh
 Ms. Deepa Jeyakumar



APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

E) Details of Transactions during the year and balances as at March 31, 2016;

Name of the party	Nature of Transaction	March 31, 2016	March 31, 2015
TAKE Solutions Limited	Interim Dividend Declared	2,407,882	-
TAKE Solutions Limited	Proposed Final Dividend	75,246	-
TAKE Solutions Limited	Dividend Payable	75,246	-
TAKE Solutions Global Holdings Pte Ltd	Cost of Revenue	18,341,400	-
TAKE Solutions Global Holdings Pte Ltd	Trade Payables	31,802,880	-
Mr. K. Vaidyanathan	Director's Remuneration	6,000,002	3,636,300
Mr. K. Vaidyanathan	Interim Dividend Declared	871,819	-
Mr. K. Vaidyanathan	Proposed Final Dividend	27,244	-
Mr. K. Vaidyanathan	Dividend Payable	27,244	-
Mr. K. Ramakrishnan	Director's Remuneration	6,000,002	3,636,300
Mr. K. Ramakrishnan	Interim Dividend Declared	871,819	-
Mr. K. Ramakrishnan	Proposed Final Dividend	27,244	-
Mr. K. Ramakrishnan	Dividend Payable	27,244	-

2.24. Segment Reporting
Primary Segment Reporting

Particulars	2016	2015	2014
Segment Revenue	142,322,495	868,263,122	1,010,585,617
Segment Cost	65,879,231	824,227,475	890,106,706
Segment Result	76,443,264	44,035,647	120,478,911
Unallocated Corporate Income			3,752,490
Unallocated Corporate Expenses			70,176,838
Operating Profit			54,054,563
Interest expenses			382,143
Income taxes			17,906,440
Net profit for the year			35,765,980

Secondary Segment Reporting

Revenue

India	28,316,028
Outside India	982,269,589
Total	1,010,585,617



APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

2.25 . Contingent Liabilities:

- a) APA Engineering Private Limited, a subsidiary company has received demand from Income Tax authorities for payment of additional tax of ₹ 2,630,186 upon completion of their tax assessments for the AYs 2010-11 and 2011-12. The tax demands are mainly on account of disallowance of deduction claimed by the company under Section 10A of the Income Tax Act. The company has filed CIT appeals for the above assessment years with the appellate authorities and the matter is pending before the Commissioner of Income Tax, Chennai. The management is hopeful of succeeding the same.
- b) RPC Power India Private Limited, now merged with APA Engineering Private Limited has received demand from Income Tax authorities for payment of additional tax of ₹ 7,499,172 upon completion of their tax assessments for the AYs 2007-08, 2008-09, 2009-10 and 2010-11. The tax demands are mainly on account of disallowance of deduction claimed by the company under Section 10B of the Income Tax Act. The company has filed appeals for the above assessment years with the appellate authorities and the matter is pending before the Commissioner of Income Tax, Chennai. The management is hopeful of succeeding the same.

2.26. Lease

The Company has taken land on lease from MEPZ, Tambaram, for a period of 15 years and constructed a building thereon.

Period	Amount in ₹
Within one year	386,160
Between one to five years	1,119,180
More than five years	-

Total rent expenses for operating lease (including cancellable lease) amounted to ₹ 676,440 (₹ 210,780) for the year ended March 31, 2016.

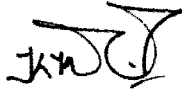


APA Engineering Private Limited
Significant Accounting Policies and Notes forming part of the Consolidated Financial
Statements for the year ended March 31, 2016

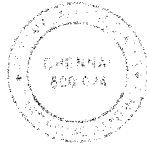
2.27. Comparative Figures

Corresponding figures of previous year have been regrouped, wherever necessary, to conform to the current year classifications.

For Annamalai Associates
Chartered Accountants
Firm's Reg. No. 000185S



CA. K. K. Nilakanthan
Partner
Membership No. 027208



For and on behalf of the Board of Directors

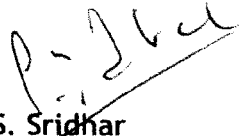

Director
Director

Place : Chennai
Date : May 09, 2016

Certificate

It is hereby certified that we have verified the particulars contained in the Statement of Account and Solvency including the Statements of Assets and Liabilities as at 31 March 2016 and the Statement of Income and Expenditure and the Cash Flow Statement for the year ending 31 March 2016 from the accounting records and other books and papers of NAVITAS LLP and found them to be true and fair.

For Sundar Srini & Sridhar
Chartered Accountants
Firm Registration No 0042015


S. Sridhar
Partner
Membership No. 025504

Place: Chennai
Date: May 10, 2016



Independent Auditor's Report

To the Partners of Navitas LLP

Report on the Financial Statements

We have audited the accompanying financial statements of Navitas LLP ('the LLP'), which comprise the Statement of Assets and Liabilities as at 31 March 2016, the Statement of Income and Expenditure 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 Financial Statements

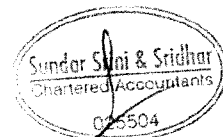
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the LLP in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Limited Liability Partnership Act, 2008 ('the Act') for safeguarding the assets of the LLP 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 financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 LLP'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 LLP has in place an adequate internal financial control systems over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the



accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.


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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

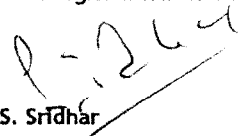
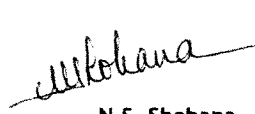
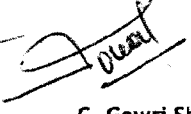
- a. in the case of the Statement of Assets and Liabilities, of the State of affairs of the LLP as at 31st March 2016;
- b. in the case of the Statement of Income and Expenditure, of the profit for the year ended on that date; and
- c. in the case of the Cash flow statement, of the cash flows for the year ended on that date.

For Sundar Srini & Sridhar
Chartered Accountants
Firm Registration No.0042015


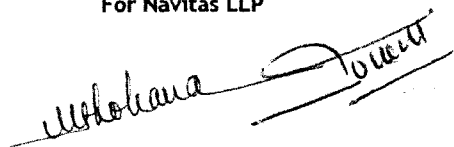

S. Sridhar
Partner
Membership No. 025504

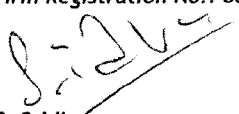
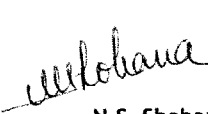
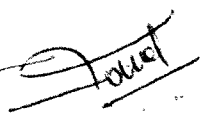
Place: Chennai
Date: May 10, 2016



Navitas LLP		
Statement of Assets and Liabilities as at		
Particulars	Amount in ₹	Amount in ₹
	March 31, 2016	March 31, 2015
CONTRIBUTION & LIABILITIES		
Partners' Funds		
Contribution - Capital Account	10,000,000	100,000
Partners' Current Account	396,029,556	258,993,345
Loan Funds		
Secured Loan - ICICI Cash Credit	54,843,535	57,172,663
(Secured against fixed asset & current assets)		
Unsecured Loan from Partners	-	391,025,000
Other Liabilities		
Sundry Creditors - For Capital Goods	2,478,181	4,814,154
Sundry Creditors - Trade / Services / Others	144,875,464	130,970,551
Deferred Revenue	24,164,191	22,499,887
Other Payable	38,271,770	11,549,781
Provisions		
a. Income Tax	248,035,838	174,557,412
b. Deferred Tax	81,326,002	107,406,665
c. Employee Benefits	16,619,870	13,887,712
d. Expenses	1,736,880	918,775
Total	1,018,381,287	1,173,895,945
ASSETS		
Fixed Assets		
Gross Block	891,466,150	1,175,040,565
Less: Accumulated Depreciation	(528,326,574)	(630,893,986)
Net Block	363,139,576	544,146,579
Capital work in progress	-	162,231,000
Other Assets - Capitalised Software Product Costs - Net	-	2,495,326
Current Assets		
Sundry Debtors	221,654,221	178,360,258
Cash & Cash Equivalents	26,438,821	13,826,505
Loans & Advances	407,148,669	272,836,277
Total	1,018,381,287	1,173,895,945
As per our report attached		
For Sundar Srini & Sridhar Chartered Accountants Firm Registration No.: 0042015	For Navitas LLP	
 S. Sridhar Partner Membership No.: 025504	 N.S. Shobana Designated Partner DPIN: 01649318	 C. Gowri Shankar Designated Partner DPIN: 00269690
Place : Chennai		
Date : May 10, 2016		



Navitas LLP		
Statement of Income & Expenditure for the year ended		
Particulars	Amount in ₹	Amount in ₹
	March 31, 2016	March 31, 2015
Income		
Export Revenue	269,352,742	244,187,218
Domestic Revenue	660,215,081	423,340,759
Other Income	44,481	1,301,356
Total	929,612,304	668,829,333
Expenses		
Personnel Expenses	235,905,053	209,940,479
Administrative Expenses	13,658,044	10,849,077
Electricity Expenses	26,164,545	23,815,139
Repairs & Maintenance	32,513,662	22,038,869
Selling & Marketing Expenses	1,859,146	3,971,015
Audit Fees	600,000	600,000
Depreciation	159,757,662	167,400,333
Amortisation	2,495,326	2,495,340
Interest & Finance Charges	7,462,498	1,974,106
Other Expenses		
Cost of Licenses and Services	232,021,100	63,507,715
Professional Chages	5,670,361	8,413,831
Rent, Rates & Taxes	37,849,086	30,107,395
Travelling & Conveyance	24,341,502	15,812,913
Exchange Fluctuation Loss (Net)	2,590,305	1,269,559
Total	782,888,290	562,195,771
Profit before Tax	146,724,014	106,633,562
Less: Provision for Tax	82,803,016	16,388,000
Less: Deferred Tax	(26,080,663)	17,710,429
Profit After Tax	90,001,661	72,535,133
Profit Transferred to Partners' Current Account	90,001,661	72,535,133
Profit Transferred to Reserves & Surplus	-	-
As per our report attached		
<div> <div> For Sundar Srini & Sridhar Chartered Accountants Firm Registration No.: 0042015  S. Sridhar Partner Membership No.: 025504 Place : Chennai Date : May 10, 2016 </div> <div> For Navitas LLP  N.S. Shobana Designated Partner DPIN: 01649318 </div> <div> C. Gowri Shankar Designated Partner DPIN: 00269690 </div> </div>		

Navitas LLP		
Cash Flow Statement for the year ended		
Particulars	Amount in ₹	Amount in ₹
	March 31, 2016	March 31, 2015
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	146,724,014	106,633,562
Adjustments for		
Depreciation & Amortisation	162,252,988	169,895,673
(Profit)/ Loss on Sale of Asset	(12,516)	5,848
Impairment of asset	129,343	-
Bad debts	-	630,181
Interest Expense	7,462,498	1,974,106
Operating Profit before working Capital Changes	316,556,327	279,139,370
(Increase)/Decrease in Current Assets other than cash & cash equivalents	(186,930,945)	(136,462,463)
Increase/ (Decrease) in Current Liabilities	43,505,496	(122,782,634)
NET CASH USED IN OPERATING ACTIVITIES	173,130,878	19,894,273
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(201,339,002)	(3,668,288)
Sale of Fixed Assets	384,702,516	-
Increase in Capital Work in Progress	-	(165,803,967)
NET CASH USED IN INVESTING ACTIVITIES	183,363,514	(169,472,255)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(7,462,498)	(1,974,106)
Increase in partner's contribution	9,900,000	-
Increase / (Decrease) in Borrowings	(2,329,128)	57,172,663
Increase / (Decrease) in Unsecured Loans	(391,025,000)	47,590,000
Additions to / (Withdrawal from) partners' current account	47,034,550	20,679,824
NET CASH FLOW FROM FINANCING ACTIVITIES	(343,882,076)	123,468,381
Net Increase/(Decrease) in Cash & Cash equivalents	12,612,316	(26,109,601)
Add: Cash and Cash equivalent as at the beginning of the year	13,826,505	39,936,106
Cash & Cash equivalent as at the end of the year	26,438,821	13,826,505
As per our report attached		
<div> <div> For Sundar Srini & Sridhar Chartered Accountants Firm Registration No.: 0042015  S. Sridhar Partner Membership No.: 025504 Place : Chennai Date : May 10, 2016 </div> <div> For Navitas LLP   N.S. Shobana Designated Partner DPIN: 01649318 C. Gowri Shankar Designated Partner DPIN: 00269690 </div> </div>		



Significant Accounting Policies and Notes on Accounts

1 Disclosure of Accounting Policies

Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Limited Liability Partnership Act, 2008. The financial statements have been prepared under the historical cost convention on the accrual basis of accounting except for certain financial instruments which are measured at fair values.

Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions the LLP may undertake in future, actual results ultimately may differ from the estimates. Any revision to accounting estimates is recognized prospectively in future periods.

2 Depreciation Accounting

Fixed assets are depreciated on Straight Line Method (SLM) over the useful life of the assets as prescribed under Schedule II to the Companies Act, 2013. For the assets acquired / disposed during the year, depreciation has been charged on pro-rata basis.

3 Revenue Recognition

Software & Consultancy Revenue

The Contracts between the LLP and its customers are either time or material contracts or fixed price contracts.

a) Revenue from fixed-price contracts is recognized according to the milestones achieved as specified in the contracts on the Proportionate Completion Method based on the work completed. Any anticipated losses expected upon the contract completion are recognized immediately. Changes in job performance, conditions and estimated profitability may result in revisions and corresponding revenues and costs are recognized in the period in which such changes are identified.

b) In respect of time and material contract, revenue is recognized in the period in which the services are provided. Unbilled revenue represents cost and earnings in excess of billings while deferred revenue represents the billing in excess of cost and earnings.

c) Revenue from product sale and licensing arrangements are recognized on delivery and installation.

4 Accounting for Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation. Fixed assets are capitalized at acquisition cost, which comprises of freight, installation cost, duties, taxes, and other directly attributable cost of bringing the assets to its working condition for the intended use.

5 Accounting for effects in foreign exchange rates

a) **Conversion** - All monetary items denominated in foreign currency are reflected at the closing exchange rates prevailing on the Statement of Assets and Liabilities date; the resultant exchange differences are recognized in the Statement of Income & Expenditure. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

b) **Initial Recognition** - Income and Expenditure items involving foreign exchange are translated at the exchange rate prevailing on the dates of transaction.

Navitas LLP

Notes forming part of Financial Statements for the year ended March 31, 2016

c) **Exchange Differences** - Exchange differences arising on foreign exchange transactions settled during the period are recognized in the Statement of Income & Expenditure for the period.

6 Accounting for Retirement Benefits

a. Provident Fund

The LLP makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the services are rendered by the employee.

b. Gratuity

Gratuity is a defined benefit scheme and is accrued based on actuarial valuations at the Statement of Assets and Liabilities date, carried out by an independent actuary.

c. Leave Encashment

Provision for leave encashment benefits is made based on the actuarial valuation as at the Statement of Assets and Liabilities date.

7 Accounting for taxes on income

Current Tax

Provision for Income Tax is determined in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax

Deferred tax reflects the effect of timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. Deferred Tax Assets are recognized only if there is reasonable certainty of their realization.

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Components of Deferred Tax Liability / (Asset)		
Fixed Assets	81,326,002	107,406,665
Net Deferred Tax Liability / (Asset)	81,326,002	107,406,665

The Deferred Tax Liability reversed during the FY 2015-16 is ₹26,080,663 and Deferred Tax Liability provided during the FY 2014-15 is ₹17,710,429

8 Intangible Assets

Software Product Development Cost

Internally developed software products are valued based on costs directly attributable to the development of such software and allocated indirect cost and they are capitalized individually once their technical feasibility is established in accordance with the requirements of Accounting Standard 26, 'Intangible Assets'. Expenses incurred during research phase till the establishment of commercial feasibility is charged off to Statement of Income & Expenditure. Products capitalized are being amortized over a period of three years from the launch date and the unamortized product costs as at Statement of Assets and Liabilities are shown under Assets separately.

Navitas LLP

Notes forming part of Financial Statements for the year ended March 31, 2016

9 Related Party Disclosure for the year ended March 31, 2016:

List of Related Parties

Name of the Related Party	Relationship
TAKE Solutions Limited, India	Partner
TAKE Business Cloud Private Limited, India	Partner
Navitas, Inc., USA	Fellow Subsidiary
TAKE Enterprise Services Inc., USA	Fellow Subsidiary
Navitas Life Sciences Limited, UK	Fellow Subsidiary
Navitas Life Sciences Inc, USA	Fellow Subsidiary
Towell TAKE Solutions LLC, Sultanate of Oman	Fellow Subsidiary
TAKE Solutions Information Systems Pte Ltd, Singapore	Fellow Subsidiary
APA Engineering Private Limited, India	Fellow Subsidiary
Applied Clinical Intelligence, LLC	Fellow Subsidiary(ceased w.e.f 30 th June 2015)
Mirnah Technology Systems Limited, Saudi Arabia	Fellow Subsidiary

Transactions with Related Party

Revenue

Name of the Related Party	For the year ended March 31, 2016 ₹	For the year ended March 31, 2015 ₹
Navitas, Inc., USA	89,016,665	80,778,246
TAKE Enterprise Services Inc., USA	5,260,079	2,088,150
Navitas Life Sciences Limited, UK	2,007,764	2,574,499
Navitas Life Sciences, Inc., USA	---	4,278,076
TAKE Solutions Information Systems Pte Ltd, Singapore	145,418	1,858,223
Mirnah Technology Systems Limited, Saudi Arabia	13,732,189	6,010,986
TAKE Solutions Limited, India	24,000,000	36,000,000
Applied Clinical Intelligence, LLC(ceased w.e.f 30th June 2015)	1,015,344	9,772,821
APA Engineering Private Limited, India	---	49,093

Accounts Receivable

Name of the Related Party	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Navitas, Inc., USA	52,521,868	33,281,822
TAKE Enterprise Services Inc., USA	756,909	---
Navitas Life Sciences Limited, UK	2,169,834	2,712,507
Navitas Life Sciences, Inc., USA	---	1,248,565

Navitas LLP

Notes forming part of Financial Statements for the year ended March 31, 2016

Mirnah Technology Systems Limited, Saudi Arabia	7,028,503	2,543,516
Applied Clinical Intelligence, LLC(ceased w.e.f 30th June 2015)	---	2,850,616

Accounts Payable

Name of the Related Party	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Navitas, Inc., USA	77,557,524	73,370,382
Towell TAKE Solutions LLC, Sultanate of Oman	99,820	94,362
Navitas Life Sciences Limited, UK	1,020,796	965,685
TAKE Solutions Limited, India	---	4,373,332

Loans and Advances Payable

Name of the Related Party	As at March 31, 2016 ₹	As at March 31, 2015 ₹
TAKE Business Cloud Private Limited, India	---	391,025,000

10. Segment Reporting:

Primary Segment Reporting

The LLP primarily provides services in the nature of software products and consultancy services. Hence, there is only one business segment.

Secondary segmental reporting

The secondary segmental reporting of the LLP has been performed on the basis of geographical segments based on location of Customers

Location of Customers	For the year ended March 31, 2016 ₹	For the year ended March 31, 2015 ₹
AsiaPac	687,744,576	435,584,804
USA	234,464,512	222,364,344
Rest of the World	7,358,735	9,578,829

Navitas LLP

Notes forming part of Financial Statements for the year ended March 31, 2016

11. Lease:

Obligation under Non-cancellable operating lease:

Minimum Lease Payments	As at Mar 31, 2016	As at Mar 31, 2015
Not later than one year	29,301,619	28,321,620
Later than one year but not later than five years	96,979,613	126,287,162
Later than five years	---	---

12. Due to Micro Small and Medium Enterprises

The Management has initiated the process of identifying enterprises which have provided goods and services to the LLP and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2016 has been made in the financial statements based on information received and available with the LLP. The LLP has not received any claim for interest from any supplier under the said Act. In the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the aforesaid Act is not expected to be material.

Disclosure required under the Micro, Small and Medium Development Act, 2006

- Delayed payments due as at the end of year on account of Principal - ₹ Nil/- (₹ Nil/-)
- Total Interest paid on all delayed payments during the year under the provision of the act - ₹ Nil/- (₹ Nil/-)
- Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act - ₹ Nil/- (₹ Nil/-)
- Interest accrued but not due - ₹ Nil/- (₹ Nil/-)
- Total Interest due but not paid - ₹ Nil/- (₹ Nil/-)

13. Contingent Liabilities not provided for is ₹ Nil/- (₹ Nil/-)

14. Previous year figures have been regrouped / reclassified wherever necessary to conform to the current year presentation.

For Sundar Sridhar & Sridhar
Chartered Accountants
Firm Registration No.: 0042015

S. Sridhar
Partner
Membership No.: 025504

Place : Chennai
Date : May 10, 2016



For Navitas LLP

N.S. Shobana
Designated Partner
DPIN: 01649318

C. Gowri Shankar
Designated Partner
DPIN: 00269690

Independent Auditor's Report on Consolidated Financial Statements

To the Members of Manipal Acunova Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Manipal Acunova Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2016, 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 is responsible for the preparation of the 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 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 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 the 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 the 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 control 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 obtained by us 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 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of certain subsidiary companies, whose financial statements reflect total assets of ₹ 151,927,267 as at March 31, 2016, total revenues of ₹ 193,162,628 and net cash outflows amounting to ₹ 7,804,362 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements of subsidiaries whose financial statements reflect total assets of ₹ 24,803,149 as at 31st March 2016, total revenues of ₹ 29,160,566 and net cash outflows amounting to ₹ 1,025,516 for the year ended on that date, as considered in the consolidated financial statements. These unaudited financial statements as approved by the respective Board of Directors of these subsidiaries have been furnished by the Management to us and our opinion insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries is based solely on such approved unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial statements certified by the management.



Sundar Srini & Sridhar
Chartered Accountants

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 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 purposes of our audit of the aforesaid consolidated financial statements.

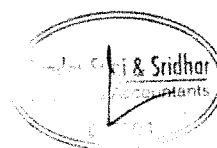
(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(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 31 March 2016 taken on record by the Board of Directors of the Holding Company, none of the Directors of the Holding Company is disqualified as on 31 March 2016 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to the standalone financial statements of the Company since the Company does not have any subsidiary companies which are incorporated in India; 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 Group does not have any pending litigations which would impact its financial position;
- ii. The Group did not have any material foreseeable losses on 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 Holding Company.

For Sundar Srini & Sridhar
Chartered Accountants
Firm Registration No.0042015



S. Sridhar
Partner
Membership No. 025504



Place: Manipal

Date: May 02, 2016

Manipal Acunova Limited
Consolidated Balance Sheet

	Notes	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Equity and liabilities			
Shareholders' funds			
Share capital	3	262,468,050	260,105,033
Reserves and surplus	4	403,920,012	321,084,794
		666,388,062	581,189,827
Non current liabilities			
Long-term borrowings	5	214,766,742	19,773,732
Long term provisions	6	662,462	697,782
		215,429,204	20,471,514
Current liabilities			
Short-term borrowings	7	118,372,594	361,046,969
Trade payables	8	82,942,626	74,933,590
(Includes total dues of Micro and Small Enterprises ₹ Nil (March 31, 2015 ₹ Nil)) - Refer Note 29			
Other current liabilities	9	626,337,449	492,245,196
Short-term provisions	10	31,981,427	34,546,931
		859,634,096	962,772,686
Total		1,741,451,362	1,564,434,027
Assets			
Non current assets			
Fixed assets			
Tangible assets	11	90,678,030	101,345,626
Intangible assets	11	595,511,408	505,261,113
Tangible assets under development		364,247	344,163
Intangible assets under development		4,727,654	-
Goodwill on Consolidation		90,436,968	84,834,951
Deferred tax asset, net	12	5,049,015	4,519,724
Long-term loans and advances	13	64,543,322	109,022,135
		851,310,644	805,327,712
Current assets			
Inventories	14	3,790,303	4,164,599
Trade receivables	15	305,176,085	196,534,443
Cash and bank balances	16	376,156,444	386,189,318
Short-term loans and advances	17	205,017,886	172,217,955
		890,140,718	759,106,315
Total		1,741,451,362	1,564,434,027

Summary of significant accounting policies and other explanatory information 2- 32

The accompanying notes are integral part of the consolidated financial statements

For Sundar Srini & Sridhar
Chartered Accountants
Firm Registration No.: 004201S

S. Sridhar
Partner
Membership No.: 025504
Manipal
02 May 2016



For and on behalf of the Board of Directors of Manipal Acunova Limited

Srinivasan H. R.
Director
DIN: 00130277

Manipal
02 May 2016

Ankita Tiwari
Company Secretary
Membership Number: A34067

Manipal
02 May 2016

D. V. Ravi
Director
DIN: 00171603

Manipal
02 May 2016

Lalit Mahapatra
Chief Financial Officer

Manipal
02 May 2016

Manipal Acunova Limited
Consolidated Statement of Profit and Loss for the year ended

	Notes	31 March 2016 ₹	31 March 2015 ₹
Revenue			
Revenue from operations - Sale of Services		1,410,025,887	1,317,932,927
Other income	18	37,721,373	36,129,030
Total revenue		1,447,747,260	1,354,061,957
Expenses			
Clinical study and research subcontract costs		394,508,449	288,864,864
Laboratory consumables and chemicals consumed	19	52,510,721	41,471,662
Employee benefits expense	20	571,478,567	668,690,378
Finance costs	21	40,459,773	55,492,463
Depreciation and amortisation	11	40,700,273	40,536,517
Other expenses	22	306,289,200	352,845,328
Total expenses		1,405,946,983	1,447,901,212
Profit / (loss) before tax		41,800,277	(93,839,255)
Tax expense			
Current			
- Foreign		1,249,074	100,929
- Domestic		-	-
Deferred		-	11,217,425
Net profit / (loss) after tax for the year		40,551,203	(105,157,609)
Minority Interest		-	-
Net profit / (loss) for the year		40,551,203	(105,157,609)
Earnings/(loss) per equity share (par value of ₹ 10 each)			
Basic (₹)	26	2.28	(5.91)
Diluted (₹)		1.70	NA
Summary of significant accounting policies and other explanatory information	2- 32		
The accompanying notes are integral part of the consolidated financial statements			

For **Sundar Srini & Sridhar**
Chartered Accountants
Firm Registration No.: 004201S

S. Sridhar
S. Sridhar
Partner

Membership No.: 025504

Manipal
02 May 2016



For and on behalf of the Board of Directors of Manipal Acunova Limited

Srinivasan H. R.
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Ankita Tiwari
Company Secretary
Membership Number: A34067

Manipal
02 May 2016

Lalit Mahapatra
Lalit Mahapatra
Chief Financial Officer

Manipal
02 May 2016

Manipal Acunova Limited

Consolidated Cash Flow Statement for the year ended

	31 March 2016 ₹	31 March 2015 ₹
A Cash flow from operating activities		
Profit/(loss) before tax	41,800,277	(93,839,255)
Adjustments for:		
Prior period expenses		
Depreciation and amortisation	40,700,273	40,536,517
Interest expense	38,065,564	52,710,302
Profit on sale of fixed assets	476,286	(490,108)
Unrealised exchange gain	-	1,119,641
Provision no longer required written back	(13,692,579)	(10,880,517)
Provision for bad and doubtful debts	9,512,082	9,863,548
Bad Debts written off	77,359	-
Profit on sale of investments	(559,953)	-
Interest income	(9,753,053)	(9,013,124)
Employee Stock Option Expense	6,484,341	-
Operating profit before working capital changes	113,110,597	(9,992,996)
Movements in working capital :		
(Increase) / decrease in inventories	374,296	541,758
(Increase) / decrease in trade receivables	(118,231,083)	139,504,112
Decrease in loans and advances	(56,527,005)	19,324,040
(Increase) / decrease in other current assets	-	39,469,133
(Decrease) / increase in trade payables	21,701,615	119,413,434
Increase / (decrease) in other current liabilities	47,712,984	(137,051,964)
(Decrease) in short-term provisions	11,762,260	(4,213,463)
Cash generated from operations	19,903,664	166,994,054
Taxes received, net of payments	52,593,729	7,330,253
Net cash generated from operating activities	72,497,393	174,324,307
B Cash flow from investing activities		
Purchase of fixed assets	(67,860,226)	(21,236,868)
Proceeds from sale of fixed assets	1,499,120	1,053,752
Interest received	9,753,053	9,031,011
Net proceeds from deposits/ mutual funds	559,953	-
Investment in fixed deposits	(3,321,648)	(9,929,071)
Net cash generated from / (used in) investing activities	(59,369,748)	(21,081,176)
C Cash flow from financing activities		
Recovery Manipal Acunova Employee Welfare Trust	2,363,017	1,400,000
Proceeds/ Repayment from long term borrowings net	285,763,540	(8,570,992)
Repayment of debentures	(3,169,590)	-
Net movement in short term borrowings	(242,674,375)	(8,936,615)
Repayment of finance lease obligations	(1,221,671)	(1,259,199)
Interest paid	(38,065,564)	(52,780,013)
Net cash generated (used in) financing activities	2,995,357	(70,146,819)
Net increase in cash and cash equivalents (A + B + C)	16,123,002	83,096,312
Effect of exchange rate changes	(29,477,524)	(47,273,463)
Cash and cash equivalents at the beginning of the year	268,662,609	232,839,760
Cash and cash equivalents at the end of the year	265,308,087	268,662,609
Components of cash and cash equivalents		
Cash on hand	1,572,111	1,156,647
Balances with banks		
- in current accounts	216,735,976	267,505,962
- in deposit account (with maturity upto 3 months)	37,000,000	-
	265,308,087	268,662,609

Note:

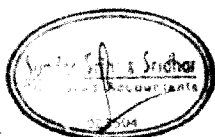
The Company considers all highly liquid investments with a remaining maturity, at the date of purchase/investment, of three months or less to be cash equivalents.

 For Sundar Srini & Sridhar
 Chartered Accountants
 Firm Registration No. 0042015

S. Sridhar

Partner

Membership No.: 025504

 Manipal
 02 May 2016


For and on behalf of the Board of Directors of Manipal Acunova Limited

Srinivasan H. R.

Director

DIN: 00130277

 Manipal
 02 May 2016

Ankita Tiwari

Company Secretary

Membership Number: A34067

 Manipal
 02 May 2016

D. V. Ravi

Director

DIN: 00171603

 Manipal
 02 May 2016

Lalit Mahapatra

Chief Financial Officer

 Manipal
 02 May 2016

1 Background

Manipal Acunova Limited ('the Company') is engaged in providing services in the field of Cellular Research, Clinical Trials, Contract Research, Clinical Data Management and Biostatistical Services.

2 Basis of preparation

a) Basis of preparation

The consolidated financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India. The Company has prepared these consolidated financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year.

The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard 21 – Consolidated Financial Statements prescribed under the Rules. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and unrealized profits or losses. The amount shown in respect of reserves comprises the amount of the relevant reserves as per the Balance Sheet of the Company and its share in the post-acquisition change in the relevant reserve of subsidiaries. Minority interest represents the amount of equity attributable to the minority shareholders at the dates on which investment in a subsidiary is made by the Company and its share of movements in the equity subsequent to the dates of investments as stated above.

The excess of cost to the Company of its investments in the subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognised as goodwill, being an asset in the consolidated financial statements. Where the share of the equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as capital reserve and shown under the head Reserves and surplus.

b) Use of Estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by management in the preparation of these consolidated financial statements include the estimates of the economic useful lives of the fixed assets, provision for doubtful debts and accruals for employee benefits. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

c) Revenue recognition

The Group derives its revenues from clinical trial and research services, laboratory testing and analysis services and clinical data management services. Revenue is recognised to the extent that the economic benefits will flow to the Group and the revenue can be reliably measured.

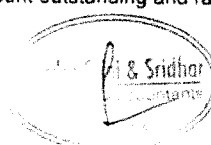
Revenue from time and material service contracts is recognised as the services are provided under the terms of the contracts. Revenue from fixed price service contracts is recognised based on the proportionate completion method.

Reimbursements received for certain expenses incurred on projects invoiced separately to customers are included in revenues and amounts recoverable from customers at year end are reflected as sundry debtors.

Amounts billed or payments received, where all the conditions for revenue recognition have not been met, are recorded as deferred revenue under liabilities and are recognised as revenue when all revenue recognition criteria have been met.

Unbilled revenue represents revenues recognised for services rendered in accordance with contractual terms, which have not been billed to the customer at the Balance Sheet date. The related billings are performed within the next operating cycle.

Interest income is recognised on a time proportion basis, taking into account the amount outstanding and rate applied.



Manipal Acunova Limited

Notes to the consolidated financial statements for the year ended 31 March 2016

d) Fixed assets

Tangible Assets

Tangible assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises of their purchase price and any other directly attributable costs of bringing the assets to their working condition for intended use.

Borrowing costs directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are charged to the Statement of Profit and Loss.

Advances paid towards acquisition of fixed assets before the financial year-end and the cost of the fixed assets not ready for their intended use, are disclosed as capital work-in-progress.

Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

Expenditure directly relating to expansion is capitalised only if it increases the life or functionality of an asset beyond its original standard of performance.

Intangible assets

Intangible assets are stated at the consideration paid for acquisition less accumulated amortisation. Goodwill represents the excess of purchase price over the book value of the net assets of the acquired subsidiary companies on the date of investment. Goodwill is not amortised but is tested for impairment on a periodic basis.

e) Depreciation and Amortisation

Depreciation on tangible assets is provided on the straight line method, using the estimated useful lives as specified below.

Particulars	Useful lives in Years
Vehicles	2 - 8
Plant & Machinery	2 - 15
Furniture & Fixtures	1 - 5
Computers	2 - 6
Lease Hold Improvements	Over the period of lease

Intangible assets comprising of software and trademark are amortised on a straight-line basis over their estimated useful life ranging between two to seven years.

f) Impairment

The Group assesses at each Balance Sheet date whether there is any indication that an asset including goodwill may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

h) Inventories

Laboratory consumables and chemicals are valued lower of cost and net realisable value. Cost is determined on a first-in-first-out basis and includes all costs incidental in bringing the inventories to their present location and condition. Provision is made for obsolescence where considered necessary.

i) Foreign currency transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Translation

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction, and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise except those arising from investments in non-integral operations.

Manipal Acunova Limited

Notes to the consolidated financial statements for the year ended 31 March 2016

i) Foreign currency transactions (Cont'd)

Exchange differences arising on a monetary item that, in substance, form part of Company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the consolidated financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Translation of integral and non-integral foreign operations

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Group itself.

In translating financial statements of non-integral operation for incorporation in financial statements, the assets and liabilities both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transaction, and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On disposal of a non-integral foreign operation, the cumulative amount of the exchange difference which have been deferred and which relate to that operation are recognised as income or expense in the same year in which the gain or loss on disposal is recognised.

Where there is a change in the classification of a foreign operation, the translation procedure applicable to the revised classification are applied from the date of the change in the classification.

j) Leases

Finance Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating Leases

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

k) Retirement and other employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 Employee Benefits.

Defined contribution plan

Retirement benefits in the form of Provident Fund to the Group's Indian employees are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions are due. There are no other obligations other than the contribution payable to the Regional Provident Fund Commissioner.

In case of foreign subsidiary companies, contributions are made as per the respective country laws and regulations. The same is charged to Statement of Profit and Loss on accrual basis. There are no obligations beyond the Group's contribution.

Defined benefit plan

Gratuity obligations to the Group's Indian employees are recognised at the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets (if any), together with adjustments for unrecognised actuarial gains or losses and past service costs. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan. Independent actuaries using the Projected Unit Credit Method calculate the defined benefit obligation annually.

Other long term employee benefits

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability/Asset in respect of earned leave becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of actuarial valuation as at the balance sheet date in a manner similar to gratuity liability.

Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

Other short-term benefits

Expense in respect of other short-term benefits including performance incentive is recognised on the basis of amount paid or payable for the period during which the employees render services.

l) Tax expense

The Company has various income tax treatments among its group. The accompanying consolidated financial statements reflect a provision for income taxes for its subsidiaries that are foreign corporations subject to tax in their respective countries.

Tax expense comprises current and deferred taxes. Current income tax is measured as the amount expected to be paid in respect of taxable income for the period. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

m) Earnings/(loss) per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. In computing diluted earnings per share only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included.

n) Cash Flow Statement

Cash flows are reported using the Indirect Method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated. The Cash flow statement forms part of the financial Statements.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into Cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

o) Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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. Where 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.

p) Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.



Sridhar
Sridhar

Manipal Acunova Limited

Notes to the consolidated financial statements for the year ended 31 March 2016

	As at 31 March 2016		As at 31 March 2015	
	Number	Amount (₹)	Number	Amount (₹)
3 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	19,186,100	191,861,000	19,186,100	191,861,000
Preference shares of ₹ 1,000 each	108,139	108,139,000	108,139	108,139,000
	19,294,239	300,000,000	19,294,239	300,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	17,795,305	177,953,050	17,795,305	177,953,050
Less: Amount recoverable from Manipal Acunova Employee Welfare Trust	-	-	-	2,363,017
	17,795,305	177,953,050	17,795,305	175,590,033
Preference shares of ₹ 1,000 each	84,515	84,515,000	84,515	84,515,000
	17,879,820	262,468,050	17,879,820	260,105,033

a) There has been no movement in the equity share capital during the current and previous years.

b) Rights, preferences, restrictions of the equity shares

The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share. The Company pays and declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to shareholders approval (except for interim dividend) in ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders will be entitled to received the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

c) Shareholders holding more than 5% of the equity shares

Name of the Shareholder	As at 31 March 2016		As at 31 March 2015	
	Number	% held	Number	% held
TAKE Solutions Limited*	16,531,425	92.90%	-	-
Manipal Education and Medical Group India Private Limited	-	-	5,786,973	32.52%
Acunova Life Sciences Private Limited	-	-	8,413,355	47.28%

* TAKE Solutions Limited, by virtue of SPA entered on 18th November 2015, has agreed to purchase 100% paid up share capital of the company. Pending RBI approval for transfer of shares from Foreign Investors, the balance shares of 1,263,880 (7.10% of the outstanding equity shares of the company) have not been transferred in the name of TAKE Solutions Limited.

d) The Company has not allotted shares by way of bonus nor bought back equity shares during five years immediately preceding 31 March 2016.

e) There has been no movement in the equity share capital during the current and previous years.

f) Shareholders holding more than 5% of the preference shares

Name of the Shareholder	As at 31 March 2016		As at 31 March 2015	
	Number	% held	Number	% held
TAKE Solutions Limited	84,515	100%	-	-
Caduceus Asia Mauritius Limited	-	-	84,515	100%

g) Rights, preferences, restrictions of the preference shares

The rights and restrictions attaching to the Compulsorily Convertible Cumulative Preference Shares (CCPS) differ from those attaching to Equity Shares as follows:

- The holders of CCPS have no rights to receive notices of, attend or vote at general meetings except in certain limited circumstances
- On a distribution of assets of the Company, on a winding-up or other return of capital (subject to certain exceptions), the holders of CCPS have priority over the holders of Ordinary Shares to receive the capital paid up on those shares.

h) Conversion terms of the preference shares

The Compulsorily Convertible Cumulative Preference Shares (CCPS) are convertible into equity shares upon the expiry of 20 (twenty) years from the date of allotment, at the Conversion Price determined in accordance with the Share Holder's agreement dated 20 November 2009. Also, the Investor shall be entitled, at its option to require the Company to convert all or any part of the Investor CCPS held by it into Equity Shares, at any time after the date of allotment, in accordance with the terms and conditions of the agreement.

The CCPS carry a dividend of 0.0001% per annum. The investor has certain additional rights of distribution at the time of a liquidation event.



Manipal Acunova Limited

Notes to the consolidated financial statements for the year ended 31 March 2016

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
4 Reserves and surplus		
Securities premium reserve		
Balance at the beginning of the year	560,202,938	560,202,938
Add : Additions on account of exercise of options during earlier years (Refer note no.24)	6,484,341	-
Balance at the end of the year	<u>566,687,279</u>	<u>560,202,938</u>
Debenture redemption reserve	-	792,398
General Reserve		
Balance at the beginning of the year	-	-
Add: Transferred from Debenture Redemption Reserve	792,398	-
Balance at the end of the year	<u>792,398</u>	<u>-</u>
Foreign currency translation reserve		
Balance at the beginning of the year	49,868,833	121,150,454
Add : Addition / (deletion) made during the year	35,799,674	(71,281,621)
Balance at the end of the year	<u>85,668,507</u>	<u>49,868,833</u>
Statement of Profit and Loss		
Deficit at the beginning of the year	(289,779,375)	(184,621,766)
Add: Profit/(loss) for the year	40,551,203	(105,157,609)
Balance at the end of the year	<u>(249,228,172)</u>	<u>(289,779,375)</u>
	<u>403,920,012</u>	<u>321,084,794</u>



Manipal Acunova Limited

Notes to the consolidated financial statements for the year ended 31 March 2016

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
5 Long-term borrowings		
Secured		
Term loan from a bank *	17,500,000	30,000,000
Fund based working capital loan*	300,980,000	-
Vehicle loans from a bank *	-	2,716,460
Unsecured		
Optionally convertible debentures (Refer note c below)	-	3,169,590
Finance lease obligations	778,967	2,000,638
	319,258,967	37,886,688
Less : Current maturities		
Secured		
Term loan from a bank *	10,000,000	12,500,000
Fund based working capital loan*	94,056,250	-
Vehicle loans from a bank *	-	981,743
Unsecured		
Optionally convertible debentures (Refer note c below)	-	3,169,590
Finance lease obligations	435,975	1,461,623
	104,492,225	18,112,956
	214,766,742	19,773,732

- a) Term loan and vehicle loans carry interest ranging from 10.95% - 13.60% per annum and are repayable along with interest within five years from the date of loan

Repayment Details	Facility of (₹)	Rate of Interest	As at 31 March 2016 (₹)	As at 31 March 2015 (₹)
Term Loan:				
20 quarterly instalments of ₹ 2,500,000 each after 13 months moratorium	50,000,000	4.50% above the base rate, present effective rate of 13.60% p.a.	17,500,000	30,000,000
Vehicle Loans:				
60 equated monthly instalments of ₹ 59,050 each.	2,700,000	0.95% above the base rate, present effective rate of 10.95% p.a.	-	1,299,352
60 equated monthly instalments of ₹ 43,989 each.	2,000,000	0.95% above the base rate, present effective rate of 10.95% p.a.	-	1,417,108

- b) Fund based working capital loan carrying interest of 6m Euribor + 2.70% per annum for ₹ 4,000,000 repayable as per the below schedule

Date of repayment	Amount in ₹
31 March 2016 (paid on April 01, 2016)	500,000
31 March 2017	750,000
31 March 2018	750,000
31 March 2019	1,000,000
31 March 2020	1,000,000
Total	4,000,000

*** Details of guarantee for each type of borrowings**

A corporate guarantee has been given by Acunova Life Sciences Private Limited on term loans availed by the Company

*** Details of security**

Term loan and vehicle loan from a bank are secured by way of hypothecation of plant and machinery and the respective vehicles purchased

- c) The Board of Directors in their meeting held on 24 July 2015 approved the redemption of unsecured redeemable convertible debentures issued in 2013 of ₹ 10 each to Acunova Life Sciences Private Limited. These have been redeemed during the year ended 31 March 2016

d) Finance lease obligations

The lease payments are determined on the basis of the lease agreements entered into with the constituents and the future lease commitments are given below

Particulars	As at 31 March 2016 (₹)		As at 31 March 2015 (₹)	
	Minimum Payments	Present value of minimum lease payments	Minimum Payments	Present value of minimum lease payments
Payable not later than 1 year	231,484	435,975	1,516,844	1,461,623
Payable later than 1 year not later than five years	637,995	342,992	629,527	539,015
Payable later than five years	869,479	778,967	2,146,371	2,000,638
Less: Amounts representing interest	90,512	-	145,733	-
	778,967	778,967	2,000,638	2,000,638

6 Long term provisions

Provisions for employee benefits (Refer note 31)

662,462	697,782
662,462	697,782



Manipal Acunova Limited

Notes to the consolidated financial statements for the year ended 31 March 2016

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
7 Short-term borrowings		
Secured		
Cash Credit from banks	93,372,594	361,046,969
Unsecured		
Loan from related parties*	25,000,000	-
	118,372,594	361,046,969

Note:
Details of security and interest rate

- i) Cash credits from a bank includes an amount of ₹ Nil (€ Nil) [31 March 2015: ₹ 270,041,600 (€ 4,000,000)] secured by way of hypothecation of inventory, receivables and other current assets. The loan carries an interest of 6m Euribor + 2.70% per annum.
- ii) Cash credit from a bank also includes an amount of ₹ 93,372,594 (31 March 2015: ₹ 91,005,369) secured against the deposit made by Manipal Acunova Limited at State Bank of India and carries a rate of interest of 13.05%.

Details of guarantee

A corporate guarantee has been given by Acunova Life Sciences Private Limited on the cash credit availed by the Group.

* Loan from related party represents amount borrowed from parent company with an interest holiday period till March 31, 2016. Interest at the rate of 7% p.a. shall accrue on a reducing balance basis from April 1, 2016 only if the loan is not repaid before May 31, 2016.

8 Trade payables

Trade creditors other than MSME creditors	82,942,626	74,933,590
	82,942,626	74,933,590

9 Other current liabilities

Current maturities		
- Term loans from banks	10,000,000	12,500,000
- Fund based working capital	94,056,250	-
- Vehicle loans from banks	-	981,743
- Optionally convertible debentures (Refer note 5 b)	-	3,169,590
- Finance lease obligations	435,975	1,461,623
Interest accrued but not due on borrowings	207,858	1,500,746
Accrued expenses	67,478,360	87,552,533
Advance Received from Customers	132,191,928	175,648,437
Advances and Unearned revenue	293,615,682	181,730,916
Dues to related parties (Refer note 27)	-	416,070
Statutory dues payable	15,044,597	12,693,926
Employee related liabilities	9,268,516	13,799,263
Capital creditors	2,030,658	-
Others	2,007,625	790,349
	626,337,449	492,245,196

10 Short-term provisions

Provisions for employee benefits	31,981,427	20,183,847
Provision for tax	-	14,363,084
	31,981,427	34,546,931



Manipal Acunova Limited

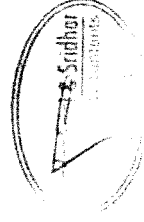
Notes to the consolidated financial statements for the year ended 31 March 2016

11 Fixed assets

Tangible assets					Amount in ₹	
Particulars	Plant and machinery	Furniture and fixtures	Vehicles	Leasehold improvements	Total	
Gross block						
Balance as at 01 April 2014	334,539,242	12,439,111	6,781,034	55,097,601		408,856,988
Additions	12,598,283	223,435	-	1,437,330		14,259,048
Disposals	6,980,496	-	-	-		6,980,496
Translation adjustment	(14,938,233)	72,272	-	-		(14,865,961)
Balance as at 31 March 2015	325,218,796	12,734,818	6,781,034	56,534,931		401,269,579
Additions	19,575,512	418,034	-	1,173,594		21,167,140
Disposals	282,304	465,171	3,821,662	-		4,569,137
Translation adjustment	8,867,960	29,826	-	-		8,897,786
Balance as at 31 March 2016	353,379,964	12,717,507	2,959,372	57,708,525		426,765,368
Accumulated depreciation						
Balance as at 01 April 2014	227,758,827	11,959,626	2,084,134	47,340,754		289,143,341
Depreciation charge for the year	26,044,692	220,661	710,161	4,141,328		31,116,842
Reversal on disposal of assets	6,379,699	-	-	-		6,379,699
Translation adjustment	(13,936,691)	(19,840)	-	-		(13,956,531)
Balance as at 31 March 2015	233,487,129	12,160,447	2,794,295	51,482,082		299,923,953
Depreciation charge for the year	24,268,956	198,594	601,239	5,475,613		30,544,402
Additions pursuant to the acquisition of subsidiary	-	-	-	-		-
Reversal on disposal of assets	8,185,380	450,786	2,142,945	-		2,593,731
Translation adjustment	-	27,334	-	-		8,212,714
Balance as at 31 March 2016	265,941,465	11,935,589	1,252,589	56,957,695		336,087,338
Net block						
Balance as at 31 March 2015	91,731,667	574,371	3,986,739	5,052,849		101,345,626
Balance as at 31 March 2016	87,438,499	781,918	1,706,783	750,830		90,678,030

Note:

- Leasehold improvements include furniture and fixtures taken on finance lease.
- Plant and machinery includes Laboratory and research equipment, computers and office equipment



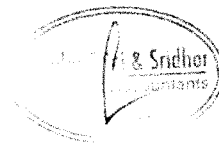
Manipal Acunova Limited

Notes to the consolidated financial statements for the year ended 31 March 2016

11 Fixed assets (Cont'd)

Intangible assets

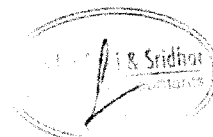
Particulars	Amount in ₹			
	Trademarks	Goodwill	Computer Software	Total
Gross Block				
Balance as at 01 April 2014	28,757,368	596,148,334	58,683,048	683,588,750
Additions	-	-	2,243,845	2,243,845
Translation adjustment	-	(109,577,590)	(4,913,541)	(114,491,131)
Balance as at 31 March 2015	28,757,368	486,570,744	56,013,352	571,341,464
Additions	-	-	41,945,348	41,945,348
Translation adjustment	-	55,745,921	4,248,855	59,994,776
Balance as at 31 March 2016	28,757,368	542,316,665	102,207,555	673,281,588
Accumulated amortisation				
Balance as at 01 April 2014	17,254,422	-	41,921,507	59,175,929
Amortisation for the year	5,751,474	-	3,668,195	9,419,669
Translation adjustment	-	-	(2,515,247)	(2,515,247)
Balance as at 31 March 2015	23,005,896	-	43,074,455	66,080,351
Amortisation for the year	5,751,472	-	4,404,399	10,155,871
Translation adjustment	-	-	1,533,958	1,533,958
Balance as at 31 March 2016	28,757,368	-	49,012,812	77,770,180
Net block				
Balance as at 31 March 2015	5,751,472	486,570,744	12,938,897	505,261,113
Balance as at 31 March 2016	-	542,316,665	53,194,743	595,511,408



Manipal Acunova Limited

Notes to the consolidated financial statements for the year ended 31 March 2016

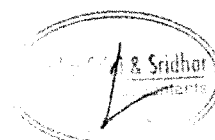
	As at 31 March 2016 ₹	As at 31 March 2015 ₹
12 Deferred tax asset, net		
Deferred tax asset arising on		
Provision for employee benefits	5,049,015	4,519,724
	<u>5,049,015</u>	<u>4,519,724</u>
13 Long-term loans and advances		
Security deposits	16,693,648	27,580,671
Advance tax including TDS Receivables	47,849,674	76,195,983
Duties and taxes recoverable	-	5,245,481
	<u>64,543,322</u>	<u>109,022,135</u>
14 Inventories		
Laboratory consumables and chemicals	3,790,303	4,164,599
	<u>3,790,303</u>	<u>4,164,599</u>
15 Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	10,851,843	33,639,193
Considered doubtful	35,733,182	20,784,909
	<u>46,585,025</u>	<u>54,424,102</u>
Less : Provision for doubtful debts	35,733,182	20,784,909
	<u>10,851,843</u>	<u>33,639,193</u>
Other receivables		
Considered good	294,324,242	162,895,250
Considered doubtful	-	4,539,970
	<u>294,324,242</u>	<u>167,435,220</u>
Less : Provision for doubtful debts	-	4,539,970
	<u>294,324,242</u>	<u>162,895,250</u>
	<u>305,176,085</u>	<u>196,534,443</u>
16 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	1,572,111	1,156,647
Cheques on hand	-	-
Balances with banks		
- in current accounts	216,735,976	267,505,962
- in deposit account (with maturity upto 3 months)	37,000,000	-
	<u>255,308,087</u>	<u>268,662,609</u>
Other bank balances		
Balances with bank		
- Margin money deposit against guarantees	7,725,033	4,923,986
- Deposits with bank to the extent held as security against borrowings	113,123,324	112,602,723
	<u>120,848,357</u>	<u>117,526,709</u>
	<u>376,156,444</u>	<u>386,189,318</u>
17 Short-term loans and advances		
Loans and advances to related parties	1,507,016	-
Prepaid expenses	19,099,022	12,378,843
Advances to suppliers	8,155,041	8,521,036
Loans and advances to employees	1,228,827	3,698,630
Unbilled revenue	153,989,555	144,494,957
Interest accrued but not due on fixed deposits	1,690,976	1,899,102
Others	19,347,449	1,225,387
	<u>205,017,886</u>	<u>172,217,955</u>



Manipal Acunova Limited

Notes to the consolidated financial statements for the year ended 31 March 2016

	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
18 Other income		
Interest from bank deposits	9,753,053	9,013,124
Interest on refund of income tax	6,446,740	2,558,040
Profit on sale of fixed assets	-	490,108
Gain on foreign exchange fluctuation, net	5,228,111	-
Profit on sale of investments	559,953	-
Provision no longer required, written back	13,692,579	11,941,164
Others	2,040,937	12,126,594
	37,721,373	36,129,030
19 Laboratory consumables and chemicals consumed		
Opening inventory	4,164,599	4,706,357
Add : Purchases during the period / year	52,136,425	40,929,904
	56,301,024	45,636,261
Less : Closing inventory	3,790,303	4,164,599
	52,510,721	41,471,662
20 Employee benefits expense		
Salaries, wages and bonus	486,491,743	595,093,910
Contribution to provident and other funds	60,600,383	62,420,540
Gratuity and Other Retirement benefits	5,395,816	4,175,156
Expense on employee stock option scheme (Refer note 24)	6,484,341	-
Staff welfare expenses	12,506,284	7,000,772
	571,478,567	668,690,378
21 Finance costs		
Interest expense		
- Term loan from banks	3,146,449	5,079,916
- Vehicle loans from a bank	163,462	360,765
- Cash credit from banks	20,410,313	20,769,558
Commission on guarantee to related party	2,394,209	2,782,161
Other Borrowing cost	14,320,840	26,315,576
Finance lease charges	24,500	184,487
	40,459,773	55,492,463
22 Other expenses		
Power and fuel	17,906,717	19,744,743
Audit Fees	4,182,858	4,980,304
Rent	41,323,338	38,228,679
Repairs & Maintenance - Plant and Equipment	23,992,698	15,314,354
Repairs and maintenance - office and others	33,143,183	38,307,961
Insurance	10,224,208	12,622,116
Rates and taxes	1,265,312	1,187,098
Communication costs	11,437,604	23,237,027
Postage and Courier	11,600,141	8,387,183
Commission, brokerage & discounts	5,988,565	2,935,707
Travelling and conveyance	45,662,996	49,796,144
Printing and stationery	9,491,161	8,071,534
Legal, professional and consulting fees	66,337,190	73,021,766
Marketing and business promotion expenses	7,428,745	15,220,703
Membership and subscription	3,230,260	4,468,918
Bank charges	2,056,793	3,499,480
Loss on foreign exchange fluctuation, net	-	12,220,823
Provision for doubtful debts	9,512,082	9,863,548
Bad debts written off	77,359	-
Advances written off	-	6,810,153
Loss on sale of fixed assets	476,286	-
Other expenses	951,704	4,927,087
	306,289,200	352,845,328



Manipal Acunova Limited

Notes to the consolidated financial statements for the year ended 31 March 2016

23 Group structure

The following subsidiaries have been considered in the consolidated financial statements.

Name of the entity	Country of Incorporation	% Ownership held either directly or through subsidiaries	
		31 March 2016	31 March 2015
Acunova Life Sciences Inc.	Integral	USA	100%
Acunova Life Sciences Limited	Integral	UK	100%
Ecron Acunova Sdn. Bhd.	Integral	Malaysia	100%
Ecron Acunova Company Limited	Non-Integral	Thailand	82%*
Ecron Acunova GmbH	Non-Integral	Germany	100%
Step Down Subsidiaries of Ecron Acunova GmbH			
- Ecron Acunova A/S	Non-Integral	Denmark	100%
- Ecron Acunova Ltd	Non-Integral	UK	100%
- Ecron Acunova Russia	Non-Integral	Russia	100%
- Ecron Acunova Pte Limited	Non-Integral	Singapore	100%
- Ecron LLC Ukraine	Non-Integral	Ukraine	51%
- Ecron sp z o.o.	Non-Integral	Poland	100%
- Ecron - The Czech Expert s.r.o.	Non-Integral	Czech	100%

* With effect from 23 November 2014

Acunova Life Sciences Limited, UK has ceased its operations and is in the process of disposing other assets and settling its liabilities. In view of the cessation of the operations, the financial statements have been prepared under the liquidation basis of accounting on the assumption that the Company would cease to be a going concern. As a result, all the assets of the Company have been brought down to the value, which they are expected to realize. All known liabilities of the Company have been provided for, to the extent necessary.

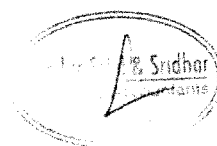
The other subsidiary of Ecron Acunova GmbH namely Ecron Acunova Italia S.r.l, Italy, has not been consolidated as it is not considered to be material.

24 Employee stock option plan**Manipal Acunova Employee Welfare Trust**

On 30 August 2005, the shareholders of the Company approved the Manipal Acunova Private Limited -Employee Stock Option Scheme [ESOP 2005]. The Scheme covers all employees of the Company including its part time/ full time Directors other than the promoter directors. The Scheme provides for issue of 10,000,000 equity shares of ₹ 10 each duly adjusted for any bonus, splits, etc. A Compensation Committee comprising of three independent directors on the Board has been formed to administer the scheme.

As at 31 December 2015, 323,861 equity shares (31 March 2015: 323,861 equity shares) of ₹ 10 each issued by the Company to the Employees Welfare Trust are available for further issue of shares to the employees on exercise of the options granted. These options have been cancelled and the shares held by ESOP Trust have been transferred to TAKE Solutions Limited by virtue of Share Purchase Agreements.

During the year ended 31 March 2008, the Company discontinued the accounting for the employee stock compensation expense in accordance with the Guidance Note on Accounting for Share-based Payments as the Company is of the view that accounting for the same is not mandatory for the Company. However, during the year, the company has determined the stock compensation cost for the options granted on various dates and have accounted the same. A sum of ₹ 6,484,341/- has been accounted as Expense on employee stock option scheme under the head employee benefits expense.



Manipal Acunova Limited

Notes to the consolidated financial statements for the year ended 31 March 2016

25 Leases*Finance Lease*

Leasehold improvements include office infrastructure (furniture and fixtures) obtained on finance lease for a non-cancellable period of five to ten years. There are no contingent rent arrangements under the terms of the lease.

Operating Lease

	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
Lease expense under cancellable and non-cancellable leases	41,323,338	38,228,679
	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
26 Earnings/(loss) per share		
Weighted average number of shares outstanding during the year	17,795,305	17,795,305
Add: Dilutive effect of convertible securities	6,026,283	6,343,242
Weighted average number of shares used to compute diluted EPS	23,821,588	24,138,547
Net profit/(loss) after tax attributable to equity shareholders	40,551,203	(105,157,609)
Earnings/(loss) per share		
Basic	2.28	(5.91)
Diluted *	1.70	NA
Nominal value per equity share	10	10

* Restricted to anti-dilutive amount, as applicable.



Manipal Acunova Limited

Notes to the consolidated financial statements for the year ended 31 March 2016

27 Related Party Disclosures

Description of relationship	Nature of relationship
<i>i) Holding Company</i> TAKE Solutions Limited	Holding Company (w e f 18 January 2016)
<i>ii) Key management personnel (KMP)</i> Mr. D.A. Prasanna Mr. D.A. Prasanna Dr. Sunnder Kher Mr. Srinivasan H.R. Mr. D.V. Ravi Dr. H.S. Ballal Mr. Lalit Mahapatra Ms. Ankita Tiwari	Managing Director, Resigned w e f September 30, 2015 Chairman w e f October 01, 2015, Resigned, w e f January 18, 2016 Managing Director w e f October 1, 2015, Resigned w e f December 15, 2015 Non-Executive Director, w e f January 18, 2016 Non-Executive Director, w e f January 18, 2016 Non-Executive Director Chief Financial Officer Company Secretary, w e f June 09, 2015
<i>iii) Other related parties</i> Acunova Life Sciences Private Limited Apostrophe Design (Previous Known as Qern)	Enterprise over which relative of key managerial personnel has significant influence, ceased (w e f 18 January, 2016) Enterprise over which relative of key managerial personnel has significant influence, ceased (w e f 18 January, 2016)

iii) The transactions with related parties during the year:

Nature of transaction	Relationship	31 March 2016 ₹	31 March 2015 ₹
Short term borrowings TAKE Solutions Limited	Holding Company	25,000,000	-
Short Term Loans and Advances Ecron Acunova Italia S.r.l.	Step down subsidiary of Ecron Acunova GmbH, Germany	1,507,016	-
Professional Charges Apostrophe Design (Previous Known as Qern)	Enterprise over which relative of key managerial personnel has significant influence	844,200	928,730
Commission paid on letter of comfort Acunova Life Sciences Private Limited	Enterprise over which relative of key managerial personnel has significant influence	1,741,918	2,383,245
Redemption of debentures Acunova Life Sciences Private Limited	Enterprise over which relative of key managerial personnel has significant influence	3,169,590	-
Remuneration Mr. D.A. Prasanna* Mr. D.A. Prasanna* Dr. Sunnder Kher** Mr. Lalit Mahapatra Ms. Ankita Tiwari	Managing Director Chairman Managing Director Chief Financial Officer Company Secretary	3,074,584 3,093,971 4,289,735 4,821,138 404,460	7,466,143 - - 4,367,962 -

*Resigned from MD post w e f 30th September, 2015 and appointed as chairman for the period 1/10/2015 to 18/1/2016

**Appointed as Managing director w e f 1st October, 2015 and ceases to be Managing Director from 15th December, 2015

iv) Closing balance of related parties receivables / (payables)

Nature of transaction	Relationship	31 March 2016 ₹	31 March 2015 ₹
Short term borrowings TAKE Solutions Limited	Holding Company	25,000,000	-
Other current liabilities Acunova Life Sciences Private Limited	Enterprise over which relative of key managerial personnel has significant influence	-	(3,169,590)
Mr. D.A. Prasanna	Chairman	-	(416,070)
Corporate guarantee Acunova Life Sciences Private Limited	Enterprise over which relative of key managerial personnel has significant influence	-	(534,500,000)

Manipal Acunova Limited

Notes to the consolidated financial statements for the year ended 31 March 2016

28 Segment Reporting

The primary segmental reporting of the Group has been performed on the basis of the geographical segments (based on location of assets)

A. Primary Segmental Reporting for the year ended 31 March 2016

Geographic Segment	Asia	Europe	USA	Unallocated	Eliminations/ Reconciling Items	Total
(i) Revenue						
External sales	645,801,630	642,527,028	121,697,229	-	-	1,410,025,887
	545,572,481	772,360,446	-	-	-	1,317,932,927
Inter-segment sales	18,873,232	6,211,130	34,630,695	-	(59,715,057)	-
	19,924,717	19,033,468	81,918,279	-	(120,876,464)	-
	664,674,862	648,738,158	156,327,924	-	(59,715,057)	1,410,025,887
	565,497,198	791,393,914	81,918,279	-	(120,876,464)	1,317,932,927
(ii) Segment Result	59,731,526	20,875,706	(35,868,551)	-	-	44,538,677
	33,470,621	(12,564,387)	(95,382,056)	-	-	(74,475,822)
(iii) Unallocable Income						
(iv) Finance Costs						
Profit before tax						
(v) Tax expense						
(vi) Profit after tax						
(vii) Other information						
Segment Assets	624,519,849	1,060,123,454	7,267,409	-	49,540,650	1,741,451,362
	480,588,255	993,474,293	7,756,743	-	82,614,736	1,564,434,027
Segment Liabilities	246,617,243	381,872,608	8,734,023	-	437,839,420	1,075,063,294
	165,561,311	376,860,739	20,387,747	-	400,434,403	983,244,200
Capital Expenditure	15,093,531	52,166,695	-	-	-	67,860,226
	14,693,604	1,809,289	-	-	-	16,502,893
Depreciation	34,109,015	6,512,520	78,738	-	-	40,700,273
	34,478,510	6,007,022	170,985	-	-	40,536,517
Other non cash expenses (net of income)	9,512,082	77,359	-	-	-	9,589,441
	9,863,548	-	6,810,153	-	-	16,673,701

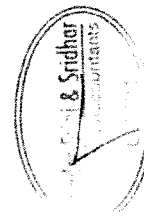
(Figures in lakhs represent previous year)

B. Secondary Segmental Reporting

The Group has only one business segment, which is providing services in the field of clinical research activities. There is no significant difference in the risks and rewards involved based on business segments

Notes

- Segment accounting policies are in line with the accounting policy of the Company
- Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter segment revenues. This does not include interest income on fixed deposits, gain on sale of investments and other income relating to extraordinary items
- Segment revenue resulting from transactions with other segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis
- Expenses that are directly identifiable with/allocable to segment are considered for determining the segment results. Finance cost has been excluded for the purpose of calculating segment result
- Segment assets and liabilities includes those directly identifiable with the respective segments. This does not include assets and liabilities relating to items (income/expense) excluded in the calculation of segment results



Manipal Acunova Limited

Notes to the consolidated financial statements for the year ended 31 March 2016

29 Dues to micro enterprises and small enterprises

As at 31 March 2016 there are no dues (March 31, 2015: ₹ Nil) to Micro and Small Enterprises that are reportable under The Micro.

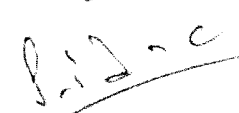
Small and Medium Enterprises Development (MSMED) Act, 2006. There are no interests due or outstanding on the same.

30 Revenue from operations includes reimbursements received for certain expenses incurred on projects invoiced separately to customers amounting ₹ 307,430,463 (31 March 2015 : ₹ 142,085,920)**31 Statement of Net Assets and Profit or Loss attributable to Owners and Minority Interest**

Name of the entity	Share in Profit or Loss		Share in Net Assets	
	As % of Consolidated Profit/(Loss)	Amount ₹	As % of Consolidated Net Assets	Amount ₹
Parent				
Manipal Acunova Limited	146%	59,384,625	66%	704,513,928
Foreign Direct Subsidiaries				
Acunova Life Sciences Inc	-3%	(1,252,059)	0%	1,283,793
Ecron Acunova Company Ltd	28%	11,468,390	1%	7,398,632
Ecron Acunova GmbH	-52%	(20,995,430)	32%	340,746,986
Acunova Life Sciences Ltd	-2%	(664,485)	1%	10,499,231
Ecron Acunova Pte Ltd	-18%	(7,389,838)	1%	8,992,416
	100%	40,551,203	100%	1,073,434,986
Less: Adjustments arising out of Consolidation		-		(407,046,924)
Less: Minority Interest		-		-
Consolidated Profit after tax / Net Assets		40,551,203		666,388,062

32 Prior year amounts have been regrouped/reclassified wherever necessary to conform to the current year's presentation.

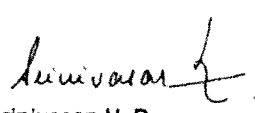
For Sundar Srini & Sridhar
Chartered Accountants
Firm Registration No.: 004201S


S. Sridhar
Partner
Membership No.: 025504

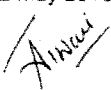
Manipal
02 May 2016




For and on behalf of the Board of Directors of Manipal Acunova Limited


Srinivasan H. R.
Director
DIN: 00130277


Manipal
02 May 2016


Ankita Tiwari
Company Secretary
Membership Number: A34067

Manipal
02 May 2016


D. V. Ravi
Director
DIN: 00171603

Manipal
02 May 2016


Lalit Mahapatra
Chief Financial Officer

Manipal
02 May 2016

TAKE SOLUTIONS GLOBAL HOLDINGS PTE LTD AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

**Registered Office
10, Anson Road, #34-15, International Plaza
Singapore 079903**

Dr. C.N. GANGADARAN
B.Com., FCA, MBIM (Lond.), Ph.d.

S. NEELAKANTAN
B.Com., FCA

R. THIRUMALMARUGAN
M.Com., FCA

G. CHELLA KRISHNA
M.Com., FCA, PGPM

CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

"Agastyar Manor"

New No.20, Old No.13, Raja Street,

T.Nagar, Chennai - 600 017.

Tel. : 91-44-2431 1480. Fax : 91-44-2431 1485

Website : www.cngsn.com

D. KALAIALAGAN
B.Com., FCA

B. RAMAKRISHNAN
B.Com., FCA, Grad. CWA

V. VIVEK ANAND
B.Com., FCA

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TAKE SOLUTIONS GLOBAL HOLDINGS PTE LTD

Report on the Consolidated Financial Statements

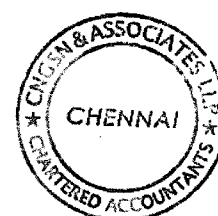
We have audited the accompanying consolidated financial statements of **TAKE SOLUTIONS GLOBAL HOLDINGS PTE LTD** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, 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 is 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 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 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 there under.



CHARTERED ACCOUNTANTS

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 the 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 control 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

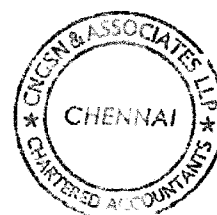
Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on other auditor's report, 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 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the stand alone financial statements of the subsidiaries, whose financial statements have been included herein. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

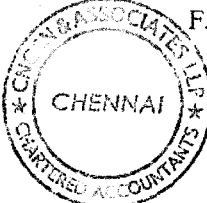
Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.



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

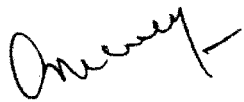
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- 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 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 position of the Group— Refer Note 2.26 to the consolidated financial statements.
 - ii) The Group did not have any material foreseeable losses on 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 Holding Company, and its subsidiary companies.

Place: Chennai
Dated: 10th May 2016

For CNGSN & ASSOCIATES LLP
Chartered Accountants
F.R.No.004915S / S200036

[Signature]
C N GANGADARAN
Partner
Memb.No.011205

TAKE Solutions Global Holdings Pte Ltd			
Consolidated Balance Sheet as at			
Particulars	Note	Amount in USD	
		March 31, 2016	March 31, 2015
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2.1	39,543,200	35,093,200
(b) Reserves and surplus	2.2	37,810,588	27,276,784
2. Minority interest		5,195,325	8,227,524
3. Non-current liabilities			
(a) Long-term borrowings	2.3	7,030,000	128,250
(b) Deferred tax liabilities (Net)		1,848,611	952,705
(c) Other long-term liabilities	2.4	397,935	194,277
(d) Long-term provisions	2.5	994,247	903,387
4. Current liabilities			
(a) Short-term borrowings	2.6	24,260,380	24,260,380
(b) Trade payables		4,108,870	3,997,463
(c) Other current liabilities	2.7	7,382,011	17,061,937
(d) Short-term provisions	2.8	524,540	57,263
TOTAL		129,095,707	118,153,170
II. ASSETS			
1. Non-current assets			
(a) Fixed assets	2.9		
(i) Tangible assets		10,316,587	2,006,647
(ii) Intangible assets		16,508,618	15,910,773
(iii) Capital work-in-progress		-	46,811
(b) Non-current investments	2.10	2,950,000	750,000
(c) Deferred tax assets (net)		17,835	18,009
(d) Long-term loans and advances	2.11	674,600	210,510
2. Goodwill on consolidation		28,917,177	29,501,046
3. Current assets			
(a) Inventories	2.12	2,611,639	2,482,812
(b) Trade receivables	2.13	37,175,006	34,750,749
(c) Cash and cash equivalents	2.14	9,129,196	12,109,038
(d) Short-term loans and advances	2.15	20,752,961	20,324,696
(e) Other current assets	2.16	42,088	42,079
TOTAL		129,095,707	118,153,170
Notes forming part of the financial statements	1 & 2		
As per our report attached			

For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.: 0049155


C.N. GANGADARAN
Partner
Membership No.: 011205

Place : Chennai
Date : May 10, 2016



For and on behalf of the Board of Directors



Director


Director

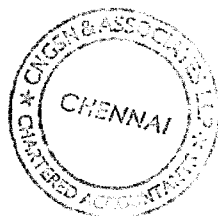
TAKE Solutions Global Holdings Pte Ltd			
Consolidated Statement of Profit and Loss for the year ended			
Particulars	Note	Amount in USD	
		March 31, 2016	March 31, 2015
I. Revenue from operations	2.17	117,031,258	93,021,250
II. Other income	2.18	3,009,782	158,837
III. Total Revenue		120,041,040	93,180,087
IV. Expenses			
Cost of revenue	2.19	27,134,125	19,876,213
Employee benefit expenses	2.20	35,316,539	29,523,626
Finance costs	2.21	2,006,908	2,120,610
Depreciation	2.9	1,075,186	443,079
Amortization	2.9	7,519,828	6,255,051
Other expenses	2.22	31,516,295	24,531,323
Total expenses		104,568,881	82,749,902
V. Profit before tax		15,472,159	10,430,185
VI. Tax expense			
(a) Current tax		323,798	83,783
(b) Deferred tax		895,906	(283,336)
(c) Short/(Excess) provision for earlier years		(16,380)	(78,484)
VII. Profit before minority interest		14,268,835	10,708,222
VIII. Minority interest		566,555	1,484,754
IX. Profit for the year		13,702,280	9,223,468
Notes forming part of the financial statements	1 & 2		

As per our report attached

For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.: 0049155


C.N. GANGADARAN
Partner
Membership No.: 011205

Place : Chennai
Date : May 10, 2016



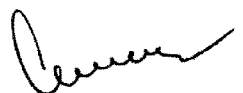
For and on behalf of the Board of Directors


Director

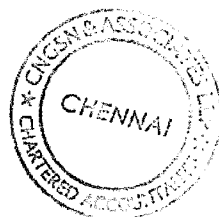

Director

TAKE Solutions Global Holdings Pte Ltd Consolidated Cash Flow Statement for the year ended		
Particulars	Amount in USD	
	March 31, 2016	March 31, 2015
Cash flows from operating activities		
Profit/(Loss) for the year	15,472,159	10,430,185
Depreciation	1,075,186	443,079
Amortisation	7,519,828	6,255,051
Interest Expense	2,006,908	2,120,610
Interest Income	(2,306)	(4,704)
Foreign Exchange Adjustments- Loss/ (Gain) - net	(84,470)	(1,532)
Bad Debts written off	44,551	22,911
Operating Profit/Loss before working capital changes	26,031,856	19,265,600
(Increase) / Decrease in Current Assets	(2,761,601)	(6,669,589)
(Increase) / Decrease in Non-Current Assets	(464,090)	248,622
Increase / (Decrease) in Current Liabilities	(1,356,392)	(354,611)
Increase / (Decrease) in Non-Current Liabilities	294,518	(58,540)
Cash flow from/ (used in) Operations	21,744,291	12,431,482
Direct Tax Paid	(8,136)	(250,028)
Net cash from / (used) in Operating Activities	21,736,155	12,181,454
Cash flows from Investing activities		
Purchase of Fixed Assets - Net	(9,635,275)	(1,870,311)
Product Development Expenses	(8,881,898)	(6,273,630)
Interest Income	2,306	4,704
Increase in non-current investments	(2,200,000)	(750,000)
Adjustments on account of merger	(1,986,219)	(2,640,808)
Goodwill on Investment in Equity Shares in Subsidiary Companies	583,869	4,885,217
Net cash from/ (used) in Investing Activities	(22,117,217)	(6,644,828)
Cash flows from Financing activities		
Increase / (Decrease) in Borrowings	(843,100)	(1,709,914)
Proceeds from Issue of Share Capital	4,450,000	-
Movement in Minority Interest	(3,032,199)	1,285,679
Net Movement in Reserve on account of Consolidation	90,838	13,352
Interest Expense	(2,006,908)	(2,120,610)
Net cash from/(used) in financing Activities	(1,341,369)	(2,531,493)
Effect on Foreign Currency Exchange Rates on Consolidation	(1,257,411)	(1,077,525)
Net change in Cash and Cash equivalents	(2,979,842)	1,927,608
Cash & Cash equivalents at the beginning of the year	12,109,038	10,181,430
Cash & Cash equivalents at the end of the year	9,129,196	12,109,038
Notes forming part of the financial statements - Note 1 & 2		
As per our report attached		

For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.: 0049155


C.N. GANGADARAN
Partner
Membership No.: 011205

Place : Chennai
Date : May 10, 2016



For and on behalf of the Board of Directors


Director


Director

TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

1. Significant Accounting Policies

1.1. Basis of Preparation of financial statements

The financial statements of TAKE Solutions Global Holdings Pte Ltd and its subsidiaries (The Group) are prepared in accordance with the 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 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

1.2. Principles of Consolidation

The financial statements of the subsidiary companies used for consolidation are drawn up to the same reporting date as of the company.

The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All material intercompany transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable. Separate disclosure is made for Minority Interest.
- b) The excess of cost to the company of its investments in subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in subsidiary companies are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the company, it is recognized as 'Capital Reserve' in the consolidated financial statements.
- c) Minority interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investment.
- d) Exchange difference resulting from the difference due to translation of foreign currency assets and liabilities in subsidiaries is disclosed as foreign currency translation reserve.

1.3. Use of Estimates

The presentation of Financial Statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions that the Company may undertake in future, actual results ultimately may differ from the estimates. Any revision to accounting estimates is recognized prospectively in future periods.



TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

1.4. Significant Accounting Policies

The significant accounting policies pertaining to the principal business segments of the company are set out below.

1.5. Revenue Recognition

1.5.1. Software and Consultancy Revenue

The Contracts between the Company and its customers are either Time and Material contracts or Fixed Price contracts.

- a. Revenue from fixed price contract is recognized according to the milestones achieved as specified in the contracts on the Proportionate Completion method based on the work completed. Any anticipated losses expected upon the contract completion are recognized immediately. Changes in job performance, conditions and estimated profitability may result in revisions and corresponding revenues and costs are recognized in the year in which such changes are identified.
- b. In respect of time and material contract, revenue is recognized in the year in which the services are provided. Unbilled revenue represents cost and earnings in excess of billings while deferred revenue represents the billing in excess of cost and earnings.
- c. Revenue from product sale and licensing arrangements are recognized on delivery and installation.

1.5.2. Sale of IT Infrastructure and Support Services

Income from sale of IT Infrastructure is recognized upon completion of sale. Income from support services is recognized upon rendering of the services. Income from maintenance contracts relating to the year is recognized when the contracts are entered into on a time proportionate basis.

1.5.3. Other Income

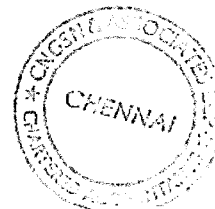
- a) Interest income is recognized using time proportion method based on rates implicit in the transaction.
- b) Dividend Income is recognized when the company's right to receive dividend is established.
- c) Miscellaneous income and other income is recognized on accrual basis when there is no uncertainty of realization.

1.6. Cash Flow Statement

Cash Flows are reported using the Indirect Method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash Flows from regular revenue generating, investing and financing activities of the company are segregated. The Cash Flow Statement forms part of the financial statements.

1.7. Software Product Development Cost

Internally developed software products are valued based on costs directly attributable to the development of such software and allocated indirect cost and they are capitalised individually once their technical feasibility is established in accordance with the requirements of Accounting Standard 26, 'Intangible Asset'.



TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

Expenses incurred during research phase till the establishment of commercial feasibility is charged off to Statement of Profit and Loss.

Products capitalised are being amortized over a period of three to five years from the launch date and the unamortised product costs as at Balance Sheet date are shown under Assets separately.

Amortisation of capitalised software development cost for the year ended March 31, 2016 amounted to USD 7,519,828.

1.8. Foreign Exchange Transactions/ Translation Reserve

- i) All monetary items denominated in foreign currency are reflected at the closing exchange rates prevailing on the Balance Sheet date; the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- ii) Income and expenditure items involving foreign exchange are translated at the exchange rate prevailing on the dates of transaction.
- iii) Exchange differences, if any arising on account of fluctuations in foreign exchange has been duly reflected in the Statement of Profit and Loss.
- iv) For the purposes of consolidation the operations of overseas subsidiaries are considered as non-integral in nature and accordingly their assets and liabilities of subsidiaries are translated at the period-end exchange rate and income and expenditure items are translated at the average rates during the period. The resultant translation adjustment is reflected as a separate component of Shareholders' funds as 'Foreign currency translation reserve'. Upon dissolution/ disposal of subsidiary, the balance in foreign currency translation reserve in relation to that subsidiary will be transferred to Statement of Profit and Loss.

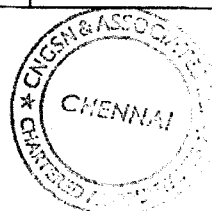
1.9. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Fixed assets are capitalized at acquisition cost, which comprises of freight, installation cost, duties, taxes, and other directly attributable cost of bringing the assets to its working condition for the intended use.

1.10. Depreciation

Depreciation is provided on a pro-rata basis on the Straight Line Method (SLM) over the estimated useful lives of the assets determined as follows:

Asset	Life (in years)
Computers and purchased software	3-6 years
Furniture, Fixtures and Equipment	4-10 years
Automobiles	4-10 years
Leasehold improvements	Period of Lease



TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

1.11. Investments

- a) Long-term investments are carried at cost. Cost comprises of transfer fee, stamp paper, brokerage, etc.

Any decline in the value of the long-term investments other than a temporary decline, is recognized and charged to the Statement of Profit and Loss.

- b) Current Investments are carried at the lower of cost (determined on specific identification basis) and fair value. The comparison of cost and fair value is carried out separately in respect of each investment.

- c) Profit or Loss on sale of investments is determined on specific identification basis.

1.12. Goodwill

Goodwill arising on consolidation/ acquisition of assets is not amortised. It is tested for impairment on a periodic basis and written off, if found impaired.

1.13. Taxes on Income

Tax expenses comprising of both current tax and deferred tax are included in determining the net results for the period.

Current Tax

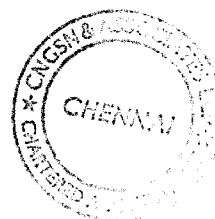
Taxes on income for the current period are determined on the basis of local Statutory Tax Laws of the respective countries.

Deferred Tax

Deferred Tax reflects the effect of timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. As a matter of prudence deferred tax assets are recognised and carried forward only to the extent, there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

1.14. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.



TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

2. Notes forming part of Financial Statements

2.1. Share Capital

2.1.1. The Particulars of authorized, issued, subscribed & fully paid up Share Capital:

Particulars	As at		As at	
	March 31, 2016		March 31, 2015	
	Number	USD	Number	USD
<u>Authorised</u>				
Equity Shares of SGD 1 each	50,200,600	39,543,200	44,109,100	35,093,200
<u>Issued, Subscribed & Paid up fully</u>				
Equity Shares of SGD 1 each	50,200,600	39,543,200	44,109,100	35,093,200
Total	50,200,600	39,543,200	44,109,100	35,093,200

2.1.2. Reconciliation of the number of shares outstanding at the beginning and at the end of the year is as given below:

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Equity Shares outstanding at the beginning of the year	44,109,100	44,109,100
Changes during the year	6,091,500	-
Equity Shares outstanding at the end of the year	50,200,600	44,109,100

2.1.3. Holding Company

50,200,600 Equity Shares (44,109,100) are held by TAKE Solutions Limited, India, the holding company.

2.1.3.1. Equity Shareholder holding more than 5% of equity shares along with the number of equity share held at end of the year:

Name of the Shareholder	As at		As at	
	March 31, 2016		March 31, 2015	
	Number	% of Holding	Number	% of Holding
TAKE Solutions Limited, India	50,200,600	100	44,109,100	100



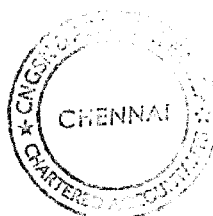
TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

2.2. Reserves & Surplus

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	USD	USD
a) Capital Reserve on Consolidation		
Opening balance	189,048	189,048
Add : Transfer during the year	60,037	-
Closing balance	249,085	189,048
b) Foreign Currency Translation Reserve	2,030,415	3,287,826
c) Legal Reserve		
Opening balance	165,604	152,252
Add : Transfer during the year	15,684	6,370
Add : Foreign Exchange Fluctuation	15,117	6,982
Closing balance	196,405	165,604
d) Surplus (Balance in Statement of profit and loss)		
Opening balance	23,634,306	16,178,995
Add: Net Profit/(Loss) for the year	13,702,280	9,223,468
Amount available for appropriations:	37,336,586	25,402,463
Less: Transfer to Legal Reserve	15,684	6,370
Less: Other Adjustments - Disposal of Investments/merger	1,986,219	1,761,787
Closing balance	35,334,683	23,634,306
Total	37,810,588	27,276,784

2.3. Long-Term Borrowings

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	USD	USD
Secured		
Term Loans - From Banks		
Term Loan - Axis Bank Limited	7,030,000	-
Term Loan - Wells Fargo Bank, National Association	-	128,250
Total	7,030,000	128,250



TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

Axis Bank Limited

Interest - The rate of interest on the outstanding amount is 3 Months LIBOR plus 2.50% p.a. In case of any default in the payment of principal or interest, interest shall be charged at the rate of 2% p.a. on the total outstanding amount under the facility.

Tenure - Five years subject to renewal of limit at annual intervals. The repayment of principal has started from April 18, 2016 and shall get discharged completely on April 15, 2021. Repayment of principal and interest is at yearly and quarterly intervals respectively.

Security - Secured by Standby Letter of Credit (SBLC) issued by Axis Bank Limited, Singapore Branch.

2.4. Other Long-Term Liabilities

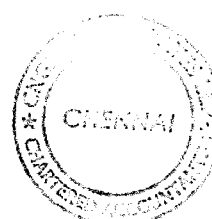
Particulars	As at	As at
	March 31, 2016	March 31, 2015
	USD	USD
Deferred Revenue	397,935	194,277
Total	397,935	194,277

2.5. Long-Term Provisions

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	USD	USD
Provision for employee benefits	994,247	903,387
Total	994,247	903,387

2.6. Short-Term Borrowings

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	USD	USD
Secured		
Loans repayable on demand from banks	24,260,000	24,260,000
Unsecured		
Loans repayable on demand		
Other loans and advances	380	380
Total	24,260,380	24,260,380



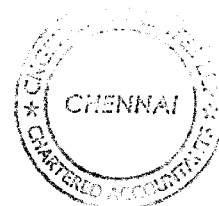
TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

2.7. Other Current Liabilities

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	USD	USD
Current maturities of long term debt	1,226,317	8,971,167
Deferred Revenue	4,831,398	5,617,479
Statutory payables	120,487	174,777
Advance received from customers	386,829	641,349
Interest accrued and due on borrowings	2,921	165,299
Employee related liabilities	563,459	1,315,525
Other payables	250,600	176,341
Total	7,382,011	17,061,937

2.8. Short-Term Provisions

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	USD	USD
Provision for employee benefits	82,552	48,636
Provision for taxes	307,909	8,627
Equity Dividend Payable	134,079	-
Total	524,540	57,263



TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

2.9. Fixed Assets

The changes in the carrying value of fixed assets for the year ended March 31, 2016 are as follows;

S. No.	Particulars	Gross Block										Accumulated Depreciation										Net Block	
		Balance as at April 01, 2015		Additions		Additions on Acquisitions		Deletions		Translation Adjustments		Balance as at March 31, 2016		Depreciation charge for the year		Additions on Acquisitions		Deletions		Translation Adjustments		Balance as at March 31, 2016	
		USD		USD		USD		USD		USD		USD		USD		USD		USD		USD		USD	
a)	Tangible Assets																						
	Buildings	83,171		-		-		-		(2,634)		80,537		959		-		-		(2,647)		80,537	
	Office Equipment	1,639,901		2,976,534		-		(35,417)		292		4,581,310		653,308		-		(33,679)		288		1,070,518	
	Furniture and Fixtures	2,276,030		1,334,961		-		(449,872)		(1,050)		3,160,061		29,251		-		(313,484)		(1,087)		1,732,797	
	Vehicles	443,315		45,201		-		(94,058)		303		394,761		32,566		-		(50,215)		256		322,973	
b)	Intangible Assets																						
	Computer software	1,380,739		-		-		(310,459)		10		1,070,290		214,613		-		(310,459)		10		952,872	
	Goodwill	2,914,454		-		-		(19,544)		(24,240)		2,870,670		-		-		-		-		-	
	Product Development Expenses	32,280,884		8,881,898		-		(7,793,295)		-		33,369,487		7,519,828		-		(7,287,467)		-		19,848,957	
	Total	36,576,077		8,881,898		-		(8,123,298)		(24,230)		37,310,447		7,734,441		-		(7,597,926)		10		20,801,829	
c)	Capital Work in Progress																						
		46,811		6,800		-		(53,611)		-		-		-		-		-		-		-	
	Total	46,811		6,800		-		(53,611)		-		-		-		-		-		-		-	
	Grand Total	44,292,937		18,517,173		6,882		(9,632,593)		(34,958)		53,149,441		8,595,016		3,579		(8,593,717)		(9,348)		26,324,236	
																							26,825,205

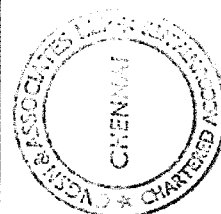


TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

2.9. Fixed Assets (Continued)

The changes in the carrying value of fixed assets for the year ended March 31, 2015 are as follows;

S. No.	Particulars	Gross Block					Accumulated Depreciation					Net Block	
		Balance as at April 01, 2014	Additions	Deletions	Translation Adjustments	Balance as at March 31, 2015	Balance as at April 01, 2014	Depreciation charge for the year	Deletions	Translation Adjustments	Balance as at March 31, 2015	Balance as at March 31, 2015	Balance as at March 31, 2015
		USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
a)	Tangible Assets												
	Buildings	93,259	-	-	(10,088)	83,171	89,198	2,912	-	(9,885)	82,225	946	946
	Office Equipment	439,901	1,200,000	-	-	1,639,901	428,242	22,361	-	(2)	450,601	1,189,300	1,189,300
	Furniture and Fixtures	2,211,268	77,059	(6,043)	(6,254)	2,276,030	1,943,835	80,863	(1,637)	(4,944)	2,018,117	257,913	257,913
	Vehicles	410,915	88,214	(55,816)	2	443,315	349,741	32,097	(41,484)	12	340,366	102,949	102,949
	Computer	3,191,209	125,264	(66,683)	(22,158)	3,227,632	2,654,537	205,165	(66,683)	(20,926)	2,772,093	455,539	455,539
	Total	6,346,552	1,490,537	(128,542)	(38,498)	7,670,049	5,465,553	343,398	(109,804)	(35,745)	5,663,402	2,006,647	2,006,647
b)	Intangible Assets												
	Computer software	1,047,774	332,963	-	2	1,380,739	949,026	99,681	-	1	1,048,708	332,031	332,031
	Goodwill	3,007,291	-	-	(92,837)	2,914,454	-	-	-	-	-	2,914,454	2,914,454
	Product Development Expenses	26,007,255	6,273,630	-	(1)	32,280,884	13,361,545	6,255,051	-	-	19,616,596	12,664,288	12,664,288
	Total	30,062,320	6,606,593	-	(92,836)	36,576,077	14,310,571	6,354,732	-	1	20,665,304	15,910,773	15,910,773
c)	Capital Work in Progress												
		-	46,811	-	-	46,811	-	-	-	-	-	46,811	46,811
	Total	-	46,811	-	-	46,811	-	-	-	-	-	46,811	46,811
d)	Intangible assets under Development												
		14,000	7,100	(21,100)	-	-	-	-	-	-	-	-	-
	Total	14,000	7,100	(21,100)	-	-	-	-	-	-	-	-	-
	Grand Total	36,422,872	8,151,041	(149,642)	(131,334)	44,292,937	19,776,124	6,698,130	(109,804)	(35,744)	26,328,706	17,964,231	17,964,231



TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

2.10. Non-Current Investments

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	USD	USD
Investments in Equity Instruments		
Investments in Equity Instruments - Others	2,250,000	750,000
Investments in Preference Stock		
Investments in Preference Stock	700,000	-
Total	2,950,000	750,000

Details of Current Investments						
Particulars	Subsidiary / Associate / JV/ Controlled Entity / Others	Quoted / Unquoted	Partly Paid / Fully paid	Amount in USD		Basis of Valuation
				March 31, 2016	March 31, 2015	
Investments in Equity Instruments						
(i) Solaris Pharma Corporation, USA	Others	Unquoted	Fully Paid	1,000,000	250,000	At cost price
(ii) IntEnergy LLC, USA	Others	Unquoted	Fully Paid	1,250,000	500,000	At cost price
Investments in Preference Stock						
SpectraMD USA , Inc	Others	Unquoted	Fully Paid	700,000	-	At cost price
Total				2,950,000	750,000	



TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

2.11. Long-Term Loans and Advances

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	USD	USD
Unsecured, considered good		
Security deposits	324,600	184,892
Prepaid expenses	-	25,618
Capital Advances - Capital Goods	350,000	-
Total	674,600	210,510

2.12. Inventories

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	USD	USD
Stock-in-trade - Valued at cost	2,611,639	2,482,812
Total	2,611,639	2,482,812

2.13. Trade Receivables

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	USD	USD
Debts outstanding for a period exceeding six months		
Unsecured and considered good	1,835,038	1,604,684
Unsecured and considered doubtful	167,328	133,601
Less : Provision for doubtful debts	(167,328)	(133,601)
	1,835,038	1,604,684
Other debts		
Unsecured and considered good	35,339,968	33,146,065
Unsecured and considered doubtful	9,963	-
Less : Provision for doubtful debts	(9,963)	-
	35,339,968	33,146,065
Total	37,175,006	34,750,749



TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

2.14. Cash and Cash Equivalents

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	USD	USD
Balances with bank in current and deposit accounts *	9,110,703	12,048,437
Cash on hand	18,493	16,423
Cheques on hand	-	44,178
Total	9,129,196	12,109,038
*Includes Guarantees	15,831	37,983
*Includes Bank deposits with more than 12 months maturity	65,025	64,895

2.15. Short-Term Loans and Advances

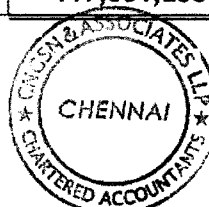
Particulars	As at	As at
	March 31, 2016	March 31, 2015
	USD	USD
Unsecured, considered good		
Prepaid expenses	1,830,829	1,214,610
Advance to employees	230,755	583,136
Advance for services	6,656,980	6,338,735
Advance - Consultants	1,723,183	1,564,320
Interest receivable	-	3,700
Unbilled receivables	5,917,728	5,659,882
Taxes receivable	28,143	12,638
Advance - Others	4,365,343	4,947,675
Total	20,752,961	20,324,696

2.16. Other Current Assets

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	USD	USD
Others - Unsecured, considered good	42,088	42,079
Total	42,088	42,079

2.17. Revenue from Operations

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
	USD	USD
Income from software services and products	116,910,073	93,010,840
Income from sale of IT infrastructure and support services	121,185	10,410
Total	117,031,258	93,021,250



TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

2.18. Other Income

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
	USD	USD
Interest income	2,306	4,704
Other non-operating income	93,570	144,810
Foreign Exchange Gain/(Loss)-net	84,470	1,532
Net Gain/(Loss) on sale of investments	2,829,436	7,791
Total	3,009,782	158,837

2.19. Cost of Revenue

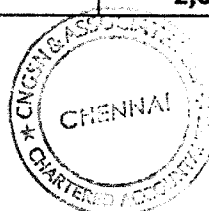
Particulars	For the year ended	
	March 31, 2016	March 31, 2015
	USD	USD
Software and consultancy and services cost	27,018,124	19,866,008
Cost of IT infrastructure and support services	116,001	10,205
Total	27,134,125	19,876,213

2.20. Employee Benefit Expenses

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
	USD	USD
Salaries and incentives	32,587,915	26,621,754
Contributions to PF and other funds	1,336,898	1,420,320
Gratuity and leave encashment	240,268	174,662
Staff welfare	1,151,458	1,306,890
Total	35,316,539	29,523,626

2.21. Finance Costs

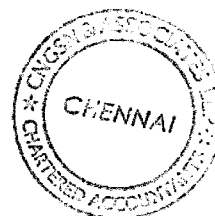
Particulars	For the year ended	
	March 31, 2016	March 31, 2015
	USD	USD
Interest expense	817,516	1,102,640
Other borrowing costs	1,189,392	1,017,970
Total	2,006,908	2,120,610



TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

2.22. Other Expenses

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
	USD	USD
Audit Fees	273,031	231,328
Bad Debts	44,551	22,911
Bank Charges	65,130	48,266
Charity (CSR)	3,600	23,945
Commission & Brokerage	452,621	394,673
Communication Expenses	4,202,405	2,158,958
Electricity Expenses	108,070	144,123
Insurance	232,685	256,924
Legal & Professional Charges	5,753,197	4,025,733
Loss on Sale of Assets	-	1,895
Marketing Expenses	5,629,902	6,045,679
Meeting & Conference	736,056	408,237
Office Expenses	955,792	1,149,219
Postage & Telegrams	29,524	48,202
Printing & Stationery	95,467	121,515
Provision for Non-Moving Stock	15,073	-
Rates & Taxes	109,148	97,907
Rent	1,480,718	1,905,211
Repairs & Maintenance - Others	297,178	707,775
Repairs & Maintenance - Plant and Equipment	4,436,569	1,569,069
Security Charges	-	4,533
Subscription Charges	133,673	153,489
Travelling and Conveyance	6,461,905	5,011,731
Total	31,516,295	24,531,323



TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

2.23. Related Party Disclosure

List of Related Parties

Holding Company: TAKE Solutions Limited, India

Subsidiaries

1. TAKE Solutions Information Systems Pte Ltd, Singapore
2. Towell TAKE Investments LLC, Sultanate of Oman
3. Navitas Life Sciences Holdings Limited, UK
4. TAKE Enterprise Services Inc., USA
5. TAKE Innovations Inc., USA

Subsidiaries (held indirectly)

1. Navitas, Inc., USA
2. Applied Clinical Intelligence LLC, USA (ceased w.e.f June 30, 2015)
3. TAKE Supply Chain De Mexico S De Ri De Cv., Mexico
4. Million Star Technologies Limited, Mauritius
5. Towell TAKE Solutions LLC, Sultanate of Oman
6. TAKE Solutions MEA Limited, UAE
7. Mirnah Technologies Systems Limited, Saudi Arabia
8. Navitas Life Sciences Limited, UK
9. Navitas Life Sciences, Inc., USA
10. TAKE Synergies Inc., USA (added during the year)
11. TAKE Dataworks Inc., USA (added during the year)
12. Intelent Inc., USA (added during the year)
13. Astus Technologies Inc., USA (added during the year)

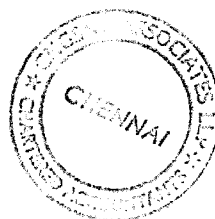
Fellow Subsidiaries

1. Navitas LLP, India
2. APA Engineering Pte Ltd, Singapore

Key Management Personnel

1. V. Venkatesan, Director
2. Sachin Garg, Director
3. Sai Prasath, Director

Other Related Party WJ. Towell & Co. LLC, Sultanate of Oman - Joint Venture Partner



TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

Transactions with Related Parties

Particulars	Amount in USD		
	Holding Company	Fellow Subsidiaries	Other Related Parties
Revenue	-	280,000	271,410
Cost of Revenue	114,658	1,693,876	121,070
Interest Expense	24,587	-	-
Trade Receivables	61,322	1,639,389	67,340
Trade Payables	7,777	943,745	3,583
Other Receivables	5,025	32,080	-
Unsecured Loan from related parties	-	-	5,172
Interest accrued and due on borrowings	-	-	2,921

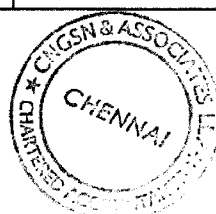
2.24. Segment Reporting

Primary Segment Reporting

Primary Segment Reporting

Particulars	Amount in USD		Total
	Business Segments		
	Software Products & Consultancy Services	IT Infra & Support Services	
Segment Revenue	116,910,073	121,185	117,031,258
	(93,010,840)	(10,410)	(93,021,250)
Segment Result	47,055,582	5,184	47,060,766
	(37,366,155)	(205)	(37,366,360)
Unallocated Corporate Income			3,009,782
			(158,837)
Unallocated Corporate Expenses			32,591,481
			(24,974,402)
Operating Profit			17,479,067
			(12,550,795)
Interest expenses			2,006,908
			(2,120,610)
Income taxes			1,203,324
			(278,037)
Net profit before Minority Interest			14,268,835
			(10,708,222)
Minority Interest			566,555
			(1,484,754)
Net profit after Minority Interest			13,702,280
			(9,223,468)

Previous year figures are shown in Italics in brackets.



TAKE Solutions Global Holdings Pte Ltd
Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2016

Secondary Segment Reporting

Geographic Segments	Amount in USD	
	For the year ended	
	March 31, 2016	March 31, 2015
Asia Pacific	7,408,022	16,601,650
USA	96,164,721	68,714,279
Rest of the World	13,458,515	7,705,321
Total	117,031,258	93,021,250

2.25. Leases

2.25.1. Obligation under Non-Cancellable Operating Lease

Minimum Lease Payments	Amount in USD	
	As at	As at
	March 31, 2016	March 31, 2015
Not later than one year	626,957	1,092,911
Later than one year but not later than five years	770,434	2,297,018
Later than five years	68,976	187,577

Total rent expenses for operating leases (including cancellable) amounted to USD 1,480,718 (USD 1,905,211) for the year ended March 31, 2016.

2.26. Contingent Liabilities

Bank Guarantees given by Related Party as at March 31, 2016 - USD 5,447 (USD 5,442).

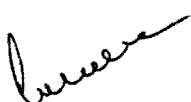
2.27. The Group has prepared these financial statements as per the format prescribed by Revised Schedule III to the Companies Act, 2013 ('the Schedule') issued by the Ministry of Corporate Affairs, India.

2.28. Comparative Figures

Corresponding figures for previous year presented have been regrouped, wherever necessary, to conform to the current year presentation.

For CNGSN & Associates LLP
Chartered Accountants
Firm Registration No.: 0049155

For and on behalf of the Board of Directors


C.N. GANGADARAN
Partner
Membership No.: 011205


Director


Director

Place : Chennai
Date : May 10, 2016

