

OCTAWARE TECHNOLOGIES PRIVATE LIMITED

BOARD OF DIRECTORS

Mohammed Aslam Khan
Sajid Iqbal Abdul Hameed
Mohammed Siraj Gunwan

TENTH ANNUAL REPORT

&

ACCOUNTS
2014 – 2015

REGISTERED OFFICE

204, Timmy Arcade,
Makwana Road, Marol Naka,
Andheri (East),
Mumbai – 400 059

ASHOK K. SURANA & ASSOCIATES
CHARTERED ACCOUNTANTS

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ASHOK K. SURANA
B.Com., F.C. A.

303, 3rd Floor, Kalyan Bhavan,
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Andheri (East), **Mumbai – 400 069.**
Email : ashok_surana@hotmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
Octaware Technologies Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Octaware Technologies Private Limited**, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and 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

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 of the state of affairs of the Company as at 31st March 2015, its **Profit** and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

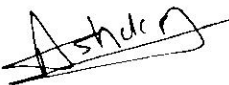
As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014

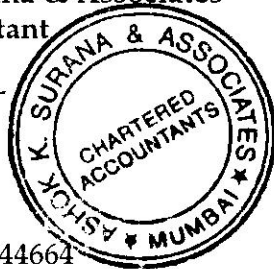
- e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act
- f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any Sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Ashok K. Surana & Associates
Chartered Accountant



Ashok Surana
Proprietor

Membership No. 044664



Place: Mumbai

Date: 03rd August, 2015.

**Annexure referred to in our Report of even date to the members of
"Octaware Technologies Private Limited" on the accounts of the Company for the year
ended 31st March, 2015**

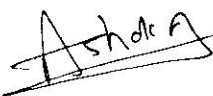
On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- ii. (a) The Physical verification of inventories have been conducted at reasonable intervals by the management;
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management reasonable and adequate in relation to size of the Company and the nature of its business.
- (c) Company is maintaining proper records of Inventory and no material discrepancies found during the year.
- iii. The Company has not granted any secured or unsecured loans, to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act
- vii. (a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, 'Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at March 31, 2015 for a period of more than six months from the date they became payable.

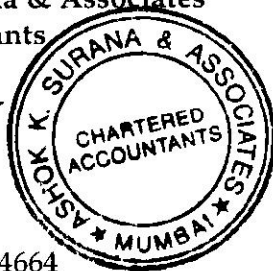
(c) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.

- viii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.
- ix. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- x. In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank during the year and did not have any amount outstanding to financial institutions or debenture holders during the year.
- xi. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year.
- xii. In our opinion, and according to the information and explanations given to us, the Company has applied the term loans raised for the purpose for which the loans were obtained.
- xiii. During the course of our examination of the books and records of the Company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of any material fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

For Ashok K. Surana & Associates
Chartered Accountants



Ashok Surana
Proprietor
Membership No. 044664



Place: Mumbai

Date: 03rd August, 2015.

OCTAWARE TECHNOLOGIES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2015

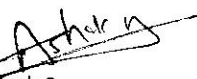
PARTICULARS	NOTE NO	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	3	30,450,000	20,300,000
Reserves & Surplus	4	<u>14,854,626</u>	<u>17,377,168</u>
		45,304,626	37,677,168
Current Liabilities			
Short Term Borrowings		NIL	NIL
Trade Payables	5	422,775	1,017,989
Other Current Liabilities	6	921,589	1,205,044
Short Term Provisions	7	<u>167,261</u>	<u>167,261</u>
		1,511,625	2,390,294
TOTAL		<u>46,816,251</u>	<u>40,067,462</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8	1,112,422	16,880,992
Intangible Assets	8	42,623	106,558
Non-Current Investments			
Deferred Tax Asset (Net)	9A	-	-
Long Term Loans and Advances	10	<u>2,432,443</u>	<u>2,042,327</u>
		21,027,475	20,631,573
Current Assets			
Current Investments		-	-
Inventories		-	-
Trade Receivables	11	22,331,195	16,569,783
Cash & Bank Balances	12	2,050,542	1,486,781
Short Term Loans and Advances	13	1,407,039	1,379,325
Other Current Assets		-	-
		<u>25,788,776</u>	<u>19,435,889</u>
TOTAL		<u>46,816,251</u>	<u>40,067,462</u>
Significant Accounting Policies			
Notes on Financial Statements			
	1 TO 24		

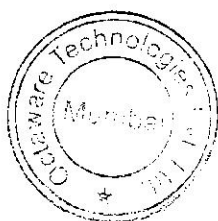
As per our Report of even date


For and on behalf of the Board


For Ashok K. Surana & Associates
Chartered Accountants
Firm Regn No - 115637w

For Octaware Technologies Private Limited


Ashok Surana
Proprietor
M.No.044664




Sajid Iqbal Abdul Hameed
Director


Mohammed Aslam Khan
Director

Date:- 03.08.2015

OCTAWARE TECHNOLOGIES PRIVATE LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

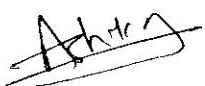
	NOTE NO	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
INCOME			
Revenue from Operations	14	32,817,863	30,687,678
Other Income/ (Loss)	15	-278,716	-176,205
Total Revenue		32,539,147	30,511,473
EXPENDITURE			
Employee Benefits Expense	16	9,725,714	7,964,859
Depreciation and Amortisation Expense	8	376,058	503,643
Finance Costs	17	NIL	NIL
Other Expenses	18	13,009,917	12,767,092
Total Expenses		23,111,689	21,235,594
Profit Before Tax		9,427,458	9,275,879
Tax Expenses			
Current Tax		1,800,000	1,800,000
Deferred Tax		-	-
Adjustments for Income Tax in respect of earlier years (Net)		-	-
Profit for the year		7,627,458	7,475,879
Earnings per equity share of face value of Rs 10 each			
Basic	19	0.25	0.37
Diluted		0.25	0.37
Significant Accounting Policies			
Notes on Financial Statements	1 TO 24		


As per our Report of even date


For and on behalf of the Board

For Ashok K. Surana & Associates
Chartered Accountants
Firm Regn No - 115637w

For Octaware Technologies Private Limited


Ashok Surana
Proprietor
M.No.044664


Sajid Iqbal Abdul Hameed
Director


Mohammed Aslam Khan
Director

Date:- 03.08.2015
Place:- Mumbai

Date:- 03.08.2015
Place: Mumbai

Date:- 03.08.2015
Place: Mumbai

AWARE TECHNOLOGIES PRIVATE LIMITED
is forming part of the financial statements

FIXED ASSETS

Description	Gross Block				Depreciation / Amortisation			Net Block		
	As at 01.04.2014	Additions	Deductions/ Adjustments	As at 31.03.2015	As at 01.04.2014	For the Year	Deductions/ Adjustments	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
TANGIBLE ASSETS :										
OWN ASSETS :										
Office Equipments	10,53,566	-	-	10,53,566	5,14,895	74,442	-	5,89,337	4,64,229	5,38,671
Computers	45,92,195	3,73,342	-	49,65,537	44,75,935	1,58,994	-	46,34,929	3,30,608	1,16,260
Furniture & Fixtures	16,29,523	8,500	-	16,38,023	12,41,752	78,687	-	13,20,439	3,17,584	3,87,771
Office Premises	1,58,38,290	-	1,58,38,290	-	-	-	-	-	-	1,58,38,290
TOTAL (A)	2,31,13,574	3,81,842	1,58,38,290	76,57,126	62,32,582	3,12,123	-	65,44,704	11,12,422	1,68,80,992
INTANGIBLE ASSETS :										
Software	10,19,938	-	-	10,19,938	9,13,380	63,935	-	9,77,315	42,623	1,06,558
TOTAL (B)	10,19,938	-	-	10,19,938	9,13,380	63,935	-	9,77,315	42,623	1,06,558
TOTAL (A+B)	2,41,33,512	3,81,842	1,58,38,290	86,77,064	71,45,962	3,76,058	-	75,22,019	11,55,045	1,69,87,550
Previous Year	82,47,663	1,58,85,849	-	2,41,33,512	66,42,319	5,03,643	-	71,45,962	1,69,87,550	16,05,344

OCTAWARE TECHNOLOGIES PRIVATE LIMITED
Notes forming part of the financial statements

Note No.	Particulars						
1	<p>Corporate information</p> <p>The company is established on 26th May 2005 to carry on the business of developing, designing and servicing computer software and information technology related applications and systems. The Company has 2 units Unit 1 – in Mumbai, Unit 2 – in Pune, catering to domestic market and it also serves as training centre.</p> <p>The Company has setup a 100% (WOS) Company i) OCTAWARE GULF FZE at Dubai. ii) OCTAWARE INFORMATION TECHNOLOGIES PRIVATE LIMITED at SEZ Andheri (East), Mumbai.</p>						
2	<p>Significant accounting policies</p> <p>A. Accounting Convention</p> <p>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 and the relevant provisions of the Companies Act, 1956.</p> <p>The financial statements have been prepared under the historical cost convention on an accrual basis.</p> <p>The accounting policies have been consistently applied by the Company.</p> <p>All the figures as entered in the financial statements are rounded off to the nearest rupee one.</p> <p>B. Use of Estimates</p> <p>Preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of revenues and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are prudent and based on management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Differences between the actual results and estimates are recognised in the period in which the results are known/ materialised.</p> <p>C. Recognition of Revenue and Expenditure</p> <p>Revenue from time and material contracts are recognized as related services are performed. Expenses have been accounted for on accrual basis and provision has been made for all known losses and expenses.</p> <p>D. Fixed Assets</p> <p>Fixed Assets have been stated at cost less accumulated depreciation. Cost comprises the basic price, excise duty and any other attributable cost for bringing the asset to its working condition for its intended use.</p> <p>E. Depreciation</p> <p>The depreciation is provided on Written Down Value Method at the rates prescribed in Schedule XIV of the Companies Act 1956 or management estimate whichever is higher. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on management's estimate of the useful life / remaining useful life.</p> <p>Pursuant to this policy, depreciation on the following assets has been provided at the following rates which are higher than the corresponding rates prescribed in Schedule XIV -</p> <table><tr><th>Asset</th><th>Rates Considered (WDV)</th><th>Schedule XIV Rates (WDV)</th></tr><tr><td>Computers & Software</td><td>60%</td><td>40%</td></tr></table> <p>In respect of the additions to assets made during the year, depreciation for the year is calculated from the date on which the additions are made.</p> <p>The Company charges 100% depreciation on assets costing less than Rs 5,000</p>	Asset	Rates Considered (WDV)	Schedule XIV Rates (WDV)	Computers & Software	60%	40%
Asset	Rates Considered (WDV)	Schedule XIV Rates (WDV)					
Computers & Software	60%	40%					

OCTAWARE TECHNOLOGIES PRIVATE LIMITED
Notes forming part of the financial statements

F. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. Exchange differences arising on foreign currency transactions are recognised as income or expense in the year in which they arise.

Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the year end exchange rate and the resultant exchange differences are recognized in the profit and loss account. In case of monetary items which are covered by Forward Exchange Contracts, Premium or Discount on Forward exchange Contract is recognised over the life of the contract.

Non-monetary foreign currency items are carried at cost.

G. Retirement Benefits

Short term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salary, performance incentives etc. are recognised as an expense at the undiscounted amount in the profit & loss account of the year in which the employee renders the related service.

Post employment benefits:

Defined Contribution Plans:

Provident Fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' basic salary). The contributions as specified under the law are paid and charged to Profit & Loss Account of the year when the contribution to the fund is due.

Long Term Employee Benefits:

Defined Benefit Plans:

Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees.

The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of continue five years of service. The Company accounts for the liability for gratuity benefits payable in future based on actuarial valuation carried out by an independent actuary. The company does not have any fund for the same and hence, no contribution is made during the year.

No provision for leave encashment is made as company's policy donot allow carry forward of leaves. All the leaves standing to the credit of the employee at the year end are encashed to the employee

H. Leases

Assets taken on lease are accounted for in accordance with Accounting Standard 19 on "Leases", (AS 19).

Operating lease

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with the respective lease agreements.

I. Provisions For Taxation

Tax expense comprises both current and deferred taxes.

Provision is made for current income tax based on the tax liability computed after considering tax allowances & exemptions.

The operations of the Company for Unit 1 – Mumbai are conducted through 100% Export Oriented Units (EOU) and the Company has registered this unit with Software Technology Parks of India. Income from EOU is exempt for 10 years commencing from the fiscal year in which the unit commences software development or March 31, 2011 whichever is earlier. The income tax exemption benefit is not available after April 01, 2011.

OCTAWARE TECHNOLOGIES PRIVATE LIMITED
Notes forming part of the financial statements

From the Assessment Year 2008-09, the Company is subject to provisions of Minimum Alternate Tax. Credit for the advance Minimum Alternate Tax paid during the year by the Company is accounted for in accordance with the Guidance Note – 'Accounting for Credit Available in respect of Minimum Alternate Tax under The Income Tax Act 1961' issued by the Institute of Chartered Accountants of India (ICAI)

Deferred tax assets and liabilities are recognized for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured at relevant enacted / substantively enacted tax rates. At each balance sheet date, the Company reassesses unrealized deferred tax assets to the extent they become reasonably certain or virtually certain of realization, as the case may be.

J. Impairment of Assets

At each Balance Sheet date, the Management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its ultimate disposal are discounted to their present values using a pre-determined discount rate that reflects the current market assessments of the time value of money and risks specific to the asset.

An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

K. Provisions, Contingent Liabilities and Contingent Assets

As per Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets', issued by the Institute of Chartered Accountants of India, the Company recognizes provisions only when it has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation as and when a reliable estimate of the amount of obligation can be made.

No Provision is recognized for:

- a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or
- b) Any present obligation that arises from past events but is not recognized because-
 - i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - ii. A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimates can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

L. Other Accounting Policies

The Company follows generally accepted accounting principles in respect of accounting policies not specifically referred to hereinabove.

OCTAWARE TECHNOLOGIES PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

3 SHARE CAPITAL

	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Authorised Share Capital:		
3,50,00,000 Equity Shares of Rs 1 each (Previous year 2,50,00,000 Equity Share of Rs. 1/- each)	3,50,00,000	2,50,00,000
	3,50,00,000	2,50,00,000
Issued, Subscribed and Paid up:		
2,03,00,000 Equity Shares of Rs 1 each, fully paid up	2,03,00,000	2,03,00,000
1,01,50,000 Equity Shares of Rs. 1/- each issued as Bonus Shares during the Year)	1,01,50,000	-
(Previous Year 2,03,000 Equity Share of Rs. 1/- each)		
	3,04,50,000	2,03,00,000

3.1 The details of Shareholders holding more than 5% shares :

	Name of the Shareholder	AS AT 31ST MARCH 2015		AS AT 31ST MARCH 2014	
		No. of Shares	% held	No. of Shares	% held
a	Mohd Aslam Qudratullah Khan	1,06,05,245	34.83	70,70,000.00	34.83
b	Sajid Iqbal Abdul Hameed	75,75,320	24.88	50,50,000.00	24.88
c	Mohammed Siraj Gunwan	48,47,880	15.92	32,32,000.00	15.92
d	Shahnawaz Ajazuddin Shaikh	36,35,910	11.94	24,24,000.00	11.94
e	Mirza Haroon Baig	36,35,910	11.94	24,24,000.00	11.94
f	Sultan Abdul Kadar	1,49,735	0.49	1,00,000.00	0.49

3.2 The reconciliation of the number of shares outstanding is set out below :

Particulars	AS AT 31ST MARCH 2015 No. of Shares	AS AT 31ST MARCH 2014 No. of Shares
Equity Shares at the beginning of the year	2,03,00,000	2,00,000
Add : Shares issued	-	1,00,000
Less : Shares cancelled	-	-
Add : Bonus Share Issued	1,01,50,000	2,00,00,000
Equity Shares at the end of the year	3,04,50,000	2,03,00,000

OCTAWARE TECHNOLOGIES PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

4 RESERVES AND SURPLUS

	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Profit and Loss Appropriation A/c.		
As per last Balance Sheet	1,54,77,168	2,80,01,289
Add: Profit for the year	76,27,458	74,75,879
	2,31,04,626	3,54,77,168
Less: Appropriations Bonus Shares Issued	1,01,50,000	2,00,00,000
Share Premium A/c.	1,29,54,626	1,54,77,168
	19,00,000	19,00,000
TOTAL	1,48,54,626	1,73,77,168

5 TRADE PAYABLES

	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Micro, Small and Medium Enterprises	-	-
Others	4,22,775	10,17,989
TOTAL	4,22,775	10,17,989

The Company has initiated the process of identification of suppliers registered under The Micro Small and Medium Enterprises Development Act, 2006, by obtaining the confirmation from the suppliers. As the Company has not received any information from its suppliers regarding registration under 'The Micro, Small and Medium Enterprises Development Act, 2006', the disclosures / information required to be given in accordance with section 22 of the said Act, is not ascertainable.

6 OTHER CURRENT LIABILITIES

	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Salary payable to employees	1,14,306	6,09,508
Creditors for Expenses	5,98,773	3,87,528
Duties & Taxes Payable	2,08,510	2,08,008
TOTAL	9,21,589	12,05,044

7 SHORT TERM PROVISIONS

	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Provision for Employee Benefits	1,67,261	1,67,261
TOTAL	1,67,261	1,67,261

9 NON CURRENT ASSETS

	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Investments in Equity Shares of Subsidiary Company Un-Quoted Fully Paid Up - Octaware Gulf FZE	16,01,697	16,01,697
Investments in Equity Shares of Subsidiary Company Un-Quoted Fully Paid Up - Octaware Information Technologies Private Limited	1,58,38,290	
TOTAL		

OCTAWARE TECHNOLOGIES PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

9A DEFERRED TAX ASSET (Net)

Deferred tax asset amounting to Rs. 1,50,449/- (Previous year Rs. 1,54,421/-) arising on account of depreciation & gratuity provision has not been recognized in the books on the ground of prudence. It would be accounted for in the subsequent year / years considering the requirements of the Accounting Standard (AS-22) regarding reasonable / virtual certainty and the accounting policy followed by the company in this respect.

10 LONG TERM LOANS AND ADVANCES

	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
(Unsecured and Considered Good)		
Advance Income Tax (Net of Provision) (Includes MAT credit entitlement)	20,77,115	17,59,430
Electricity & Other Deposits	24,856	11,036
Deposit with Sales Tax Authorities	25,000	25,000
Preliminary Expenses	3,05,472	2,46,861
TOTAL	24,32,443	20,42,327

11 TRADE RECEIVABLES

	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Unsecured and Considered Good -		
Over 6 months	1,17,42,216	60,18,852
Others	1,05,88,979	1,05,50,931
TOTAL	2,23,31,195	1,65,69,783

11.1 The balances of sundry debtors are as certified by the management and are subject to formal confirmation from the parties.

12 CASH & BANK BALANCES

	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Cash on Hand	2,32,324	67,026
Balance with Banks	12,69,525	14,13,744
Fixed deposits with banks*	5,48,693	6,011
TOTAL	20,50,542	14,86,781

* Fixed Deposit is provided as security for Bank Guarantee for Customs Bonding

13 SHORT TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Loans & Advance to Employees	11,70,000	11,20,750
Advance Receivable in Cash or kind or for value to to be received	2,37,039	2,58,575
TOTAL	14,07,039	13,79,325

OCTAWARE TECHNOLOGIES PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015.

14 REVENUE FROM OPERATIONS

	31/03/2015	31/3/2014
Income from Software Development Services -		
- Export	3,03,61,238	2,98,60,478
- Domestic	24,56,625	8,27,200
TOTAL	3,28,17,863	3,06,87,678

15 OTHER INCOME

	31/03/2015	31/3/2014
Interest Income		
Interest on bank deposits	42,942	1,13,760
Interest on Income Tax Refund	14,108	NIL
Gain / (Loss) on Foreign Currency Transactions	(3,35,766)	(2,89,965)
TOTAL	(2,78,716)	(1,76,205)

16 EMPLOYEE BENEFITS EXPENSE

	31/03/2015	31/3/2014
Salaries and Wages	92,27,842	74,19,826
Contribution to Provident and Other Funds	3,41,145	3,11,871
Staff Welfare Expenses	1,49,727	2,33,162
Stipend Expenses	7,000	NIL
TOTAL	97,25,714	79,64,859

16.1 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

	31/03/2015	31/3/2014
Employer's Contribution to Provident Fund	3,41,145	3,09,562
Employer's Contribution to Labour Welfare Fund	NIL	2,309

17 FINANCE COSTS

	31/03/2015	31/3/2014
Interest & Other Charges	NIL	NIL
TOTAL	NIL	NIL

OCTAWARE TECHNOLOGIES PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015.

18 OTHER EXPENSES

	31/03/2015	31/3/2014
Power and fuel	7,57,441	7,22,650
Office & Other Lease rents	12,50,764	10,36,021
Repairs to -		
- Computers	1,09,160	28,510
- Building & Other Repairs	1,77,955	61,043
Advertising Expenses	13,483	NIL
Bank Charges	27,522	27,578
Discount / Bad Debts	26,000	8,215
Donation	50,000	1,51,780
Entertainment & Hotelling Expenses	2,59,765	1,81,457
Foreign Travel Expenses (Refer Note 18.2 for Details)	30,55,885	21,95,558
Housekeeping Expenses	1,13,978	94,247
Legal and professional charges (Refer Note 18.1 for Details)	7,13,116	15,54,987
Membership Fees	3,32,634	4,19,869
Miscellaneous expenses	28,148	1,13,400
Office Expenses	1,12,601	2,82,718
Postage & Courier	17,880	22,256
Preliminary Expenses W/off	36,989	27,429
Printing & Stationery	1,22,783	1,37,762
ROC related fees	8,800	37,174
Seminar Fees	1,45,562	2,11,597
Society , Rates & Taxes	72,462	73,540
Software License & Development Fees	8,261	7,624
Technical Fees (Consultant Charges)	48,27,055	44,85,008
Telephone & Internet expenses	4,56,577	4,73,485
Domestic Travelling	1,75,578	4,13,184
Local Conveyance	1,09,518	
TOTAL	1,30,09,917	1,27,67,092

18.1 Payments to the Auditor (included under Legal and professional charges)

	31/03/2015	31/3/2014
(a) Auditor - Statutory Audit Fees	96,000	72,000
(b) For Tax matters	30,000	30,000
(b) For Other Services	87,000	42,000
TOTAL	2,13,000	1,44,000

18.2 Expenditure in Foreign Currency

	31/03/2015	31/3/2014
Foreign Travel Expenses	13,57,674	12,47,500
Seminar Fees	1,45,562	-
Internet & Domain Registration Charges	8,261	7,624

OCTAWARE TECHNOLOGIES PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015.

19 EARNINGS PER SHARE (EPS)

	31/03/2015	31/3/2014
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs)	76,27,458	74,75,879
Weighted Average number of equity shares used as denominator for calculating EPS	3,04,50,000	2,03,00,000
Basic Earnings per share (Rs)	0.25	0.37
Diluted Earnings per share (Rs)	0.25	0.37
Face Value per equity share (Rs)	1	1

20 EARNINGS IN FOREIGN EXCHANGE

	31/03/2015	31/3/2014
Service Income	3,03,61,238	2,98,60,478
TOTAL	3,03,61,238	2,98,60,478

- 21 The Company does not use forward exchange contracts to hedge its foreign exchange exposure as at March 31, 2015. The Company had following foreign exchange exposures which were not hedged by derivative instrument or otherwise –

Particulars	Foreign Currency	31/03/2015		31/03/2014	
		Amount in Forex	Amount in Rs.	Amount in Forex	Amount in Rs.
Sundry Debtors	USD	2,30,904	1,44,52,485	1,60,615	89,38,663
Sundry Debtors	SGD	33,356	15,78,617	27,410	12,60,246
Sundry Debtors	QAR	52,369	9,54,684	2,71,735	46,07,505
Sundry Debtors	SAR	2,30,823	40,86,506	94,115	16,17,918

22 RELATED PARTY DISCLOSURES

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

- I List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
Sajid Hameed Shaikh	Director (Key Management Personnel)
Aslam Mohammed Khan	Director (Key Management Personnel)
Mohammed Siraj Gunwan	Director (Key Management Personnel)
Nazia Sajid Hameed	Director's Relative
Rehana Khan	Director's Relative
Octaware Gulf FZE	Holding / Subsidiary
Octaware Information Technologies Private Limited	Subsidiary Company

OCTAWARE TECHNOLOGIES PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015.

II Transactions during the year with related parties :

Name of the Related Party	Nature of transactions	For 2014-15		For 2013-14	
		Value of transactions Rs	Closing Balance as on March 31, 2015*	Value of transactions Rs	Closing Balance as on March 31, 2014*
Sajid Hameed Shaikh	Consultant Fees	722,500	47,250	986,095	229,500
Nazia Sajid Hameed	Office Rent payment	179,880	14,990	179,880	29,980
Aslam Mohammed Khan	Consultant Fees	900,000	(56,036)	780,554	105,964
Mohammed Siraj Gunwan	Consultant Fees	756,800	89,776	674,400	151,740
	Office Rent	-	-	55,600	-
Rehana Khan	Office Rent Payment	502,084	18,698	270,088	37,404
Abdul Hameed Shaikh	Guest House Rent	-	-	59,900	-
Shahnawaz Ajazuddin Shaikh	Consultant Fees	664,058	76,950	-	-
Mirza Haroon Baig	Consultant Fees	584,000	46,800	-	-
Octaware Gulf FZE	Sales	6,795,157	4,102,558	3,666,399	-
Octaware Information Technologies Private Limited	Sales	1,295,000	1,165,500	-	-

*Closing balance in bracket represents amount receivable by the Company

- 23** The Company has taken office premises at Pune and Mumbai locations on operating lease.
Lease payments recognised in Profit & Loss A/c for the year is Rs 12,09,964/- (previous year Rs 10,36,021/-)

24 CONTINGENT LIABILITIES AND COMMITMENTS
(to the extent not provided for)

	AS AT 31ST MARCH 2015	AS AT 31ST MARCH 2014
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Capital Advances of Rs Nil (previous year Rs. Nil))	-	-
Other Commitments	-	-

As per our Report of even date
For Ashok K. Surana & Associates
Chartered Accountants

Ashok K. Surana
Ashok Surana
Proprietor
M.No.044664

For and on behalf of the Board
For Octaware Technologies Private Limited



Sajid Iqbal Abdul Hameed
Sajid Iqbal Abdul Hameed
Director

Mohammed Aslam Khan
Mohammed Aslam Khan
Director

Date:- 03.08.2015