accelya

AKSL/NSE/2017-18
13th October, 2017

The Executive Director,
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai 400 051

Dear Sir,

Sub.: Submission of Annual Report alogwith Business Responsibility Report of the Company for the year 2016-17

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

Annual Report:

We enclose herewith the 31st Annual Report of the Company for the year 2016-17.

Please note that Business Responsibility Report forms a part of the Annual Report.

Request you to take the same on record.

Thanking you.

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

Ninad Umranikar
Company Secretary

Encl: As above.

Accelya Kale Solutions Limited (formerly known as Kale Consultants Limited) CIN: L74140PN1986PLC041033
Accelya Enclave, AG - 4 & AG - 5, Ground Floor, Sharada Arcade, Satara Rd., Pune 411 037 India
T +91 20 6608 3777 **F** +91 20 2423 1639 **E-mail:** info@accelya.com
Regd. Office: Accelya Enclave, 685/ 2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune 411 037 (India)
www.accelya.com

Accelya Kale Solutions Limited

31st Annual Report 2016-17



accelya

Corporate Office & Development Center

Thane

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

Development Center

Pune

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

Global Offices

USA

2035 Lincoln Highway,
Suite 1190 Edison, NJ 08817
Tel: +1-848-2600549

UK

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

Managed Process Services

Mumbai

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

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

Pune

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

Goa

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

accelya

Contents

Board of Directors

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

(*) Mr. John Johnston was appointed as Chairman with effect from 6th October, 2016
(**) Mr. Vipul Jain resigned as Director with effect from 9th August, 2017
(#) Mr. Philippe Lesueur resigned as Director and Chairman with effect from 5th October, 2016

Auditor

B S R & Co., LLP
Chartered Accountants

Company Secretary

Ninad Umranikar

Bankers

State Bank of India
ICICI Bank Ltd.

Registered Office

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

Registrar and Share Transfer Agent

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

Letter to Shareholders 2

Financial Highlights 3

Directors' Report 4

Management Discussion and Analysis 48

Auditor's Report 56

Financial Statements 62

Consolidated Financial Statements 94

Salient Features of Subsidiaries 131

Shareholder Information 132

AGM Notice 135

Letter to Shareholders



Dear Shareholders,

I am pleased to share with you that we have seen growth in our revenues and earnings for FY 2017.

Total revenues for FY 2017 stood at ₹ 3,788 million and net profit after tax was at ₹ 913.43 million. This is a 8.25% growth in revenues and 10.02% growth in PAT as compared to FY 2016.

Accelya Kale continued the practice of rewarding its shareholders with dividends. This year, the total dividend is ₹ 51 per share, including ₹ 40 per share recommended as final dividend. I would like to inform you that on 9th August 2017, Mr. Vipul Jain stepped down from his position as Director. I would like to thank Vipul on behalf of the Board for his valuable contribution.

This year, our revenue accounting platform, REVERA®, surpassed 1 billion transactions. In addition, the REVERA Strategic Product Group (SPG) program was recognized for taking customer collaboration to the next level at ITSMA 2016 Marketing Excellence Awards. REVERA SPG is a board comprised of customer representatives and product specialists from Accelya; their charter is to ensure the most beneficial features are added to the product roadmap thereby giving the best solution to our customers.

I am also delighted to share that we were recognized as 'Service Provider of the Year 2017' by Air Transport News (ATN). Accelya also featured in the International Association of Outsourcing Professionals (IAOP) Global Outsourcing 100 List 2017, a list of the leading outsourcing firms in the world.

We have witnessed good traction for our cost management solution, FinesseCost™. We have added two new customers this year, taking the total to six airline customers including two tier one airlines and one low cost carrier.

This year, we transitioned the ownership of the Accelya Group to Warburg Pincus, a global private equity firm focused on growth investing. Warburg Pincus acquired majority shares in the Group and also holds majority shares in Mercator, a global provider of software platforms and product-enabled solutions to the travel and transport industry. As a result, customers of Accelya and Mercator will benefit from enhanced product and technology capabilities. The combined group will ensure the continuous development of new solutions for the travel and transport industry.

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

Yours truly,

Neela Bhattacherjee
Managing Director

(Amount in ₹ Million)

	2016-17	2015-16	2014-15	2013-14	2012-13
INCOME STATEMENT					
Operating Revenue	3,324.05	3,097.15	2,722.76	2,832.06	2,623.84
Operating EBITDA	1,507.55	1,365.46	1,159.71	1,410.68	1,158.32
Profit Before Tax	1,364.13	1,232.69	1,114.74	1,284.93	1,044.72
Profit After Tax	888.63	806.91	757.15	873.27	712.44
BALANCE SHEET					
Net Worth	1,646.81	949.64	945.59	803.18	762.93
Borrowings	-	-	-	-	0.04
Net Fixed Assets	361.92	350.80	290.94	329.62	345.61
Cash and cash equivalents	48.39	38.43	52.53	98.58	182.16
Current Assets	1,268.95	977.57	986.08	951.30	1,085.33
Current Liabilities	535.65	927.79	864.36	964.68	1,103.03
Capital Employed	1,646.81	949.64	945.59	803.18	762.97
FINANCIAL INDICATORS					
Operating EBITDA Margin	45%	44%	43%	50%	44%
Current Ratio	2.37	1.05	1.14	0.99	0.98
Net Worth per share (₹)	110.33	63.62	63.35	53.81	51.11
Dividend per share (₹)	51.00	45.00	36.00	49.00	70.00
Market price per share (₹)	1,328.00	1,144.95	999.50	680.45	454.40
Basic Earnings per share (₹)	59.53	54.06	50.73	58.51	47.73

To,

The Members,

Your Directors are pleased to present the Thirty First report on the business and operations of the Company for the year ended 30th June, 2017.

FINANCIAL RESULTS (STANDALONE) ₹ in Million

Particulars	2016-17	2015-16
Total Revenue		
- Revenue from Services	3,324.05	3,097.15
- Other Income	130.22	98.93
Total	**3,454.27**	**3,196.08**
Total Expenditure	2,090.14	1,963.39
Profit before Tax and Exceptional Items	**1,364.13**	**1,232.69**
Exceptional Items	-	-
Profit Before Tax and After Exceptional Items	**1,364.13**	**1,232.69**
Provision for Tax		
- Current Tax	480.34	428.56
- Tax expense for earlier years	4.67	-
- Deferred Tax (Credit)	(9.51)	(2.78)
Profit After Tax	**888.63**	**806.91**
Profit brought forward from previous year	234.70	230.65
Profit available for appropriation	**1,123.33**	**1,037.56**
Appropriations:		
- Interim Dividend	164.19	223.89
- Proposed Dividend	-	447.79
- Dividend Distribution Tax	33.42	135.26
- Dividend Distribution Tax Credit	(6.14)	(4.08)
- Balance Carried Forward to Balance Sheet	931.86	234.70

DIVIDEND

The Company had declared and paid an interim dividend of ₹ 11 per equity share during the year.

Your Directors are pleased to recommend a final dividend of ₹ 40 per equity share for the financial year ended 30th June, 2017.

OPERATING RESULTS

During the year under review, your Company's operating revenues increased by 7.33% from ₹ 3,097.15 million to ₹3,324.05 million. The total expenditure for the year stood at ₹ 2,090.14 million as against ₹ 1,963.39 million, an increase of 6.46% over the previous year.

The Company reported profit before tax and after exceptional items of ₹ 1,364.13 million as compared to ₹ 1,232.69 million for the previous year, a growth of 10.66% over the previous year.

The Company registered profit after tax of ₹ 888.63 million for the year 2016-17 as against ₹ 806.91 million in the previous year, an increase of 10.13%.

BUSINESS OPERATIONS

Throughout the year, the Company experienced good traction in its revenue accounting and cost management solutions. Some of the highlights include:

- Accelya Kale surpassed 1 billion transactions per annum on its revenue accounting platform REVERA
- El Al, the national carrier of Israel, selected Accelya Kale's REVERA® for passenger revenue accounting
- The REVERA Strategic Product Group (SPG) program was recognized for taking customer collaboration to the next level at ITSMA 2016 Marketing Excellence Awards
- FinesseCost™, our cost management solution, added two new customers this year. With these additions, FinesseCost has a total of six airline customers including two tier one airlines and one low cost carrier
- Biman Bangladesh, the flag carrier airline of Bangladesh, selected Accelya Kale's Finesse Flight Profitability System to aid its network expansion

In an endeavor to bring best in class solutions to customers, the Company launched the following new initiatives:

- Connect2ERP™ solution version 2.0 was launched on SAP-certified integration with the SAP® ERP application. This will enable airlines to better integrate their accounting systems and financial solutions.
- APEX® Miles was built to leverage Accelya Kale's APEX Proration, the industry-recognised proration engine. It accurately derives revenue-based earned miles while supporting existing airline mileage charts based on distance, RBD (Reservation Booking Designators), or a combination of these.

ACQUISITION BY WARBURG PINCUS

During the year, Warburg Pincus, a global private equity firm focused on growth investing, acquired Accelya Holding Luxembourg S.A. from Chequers Capital and through this,

a controlling interest in the Accelya group of companies.

An Open Offer for acquisition of upto 3,782,966 equity shares of ₹ 10 each representing 25.34% of the voting share capital of Accelya Kale Solutions Limited ("the Company") was made pursuant to the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended) to the public shareholders of the Company by Sky Bidco S.L.U. (Acquirer) along with Canary Topco Limited (PAC 1), Canary Holdco Limited (PAC 2), Canary Finco Limited (PAC 3), Canary Midco Limited (PAC 4) and Sky Holdco Limited (PAC 5).

The Open Offer commenced on 26 April, 2017 and closed on 11 May, 2017.

A total no. of 171 shares were tendered in the Open Offer. These shares were acquired by Canary Topco Limited. As a result of this acquisition, the total promoter group shareholding increased from 11,143,295 to 11,143,466.

Warburg Pincus is also the majority shareholder of Mercator, (a global provider of product-enabled solutions to the travel and transportation industry).

Together, Accelya and Mercator are leading global technology-enabled solutions providers to airlines, travel agents and freight forwarders. The combined group now offers a broadened product portfolio with complementary offerings including revenue accounting, revenue management and revenue assurance, cargo management, payment solutions, data analytics, cost management and commercial solutions. Customers of Accelya and Mercator will benefit from enhanced product and technology capabilities, which will ensure the continued development of innovative solutions for the travel industry. With a global footprint and more than 400 clients worldwide, including 250 airlines, the Accelya group which now includes Mercator, will be at the forefront of automation, helping customers manage their financial processes more efficiently, minimizing revenue leakages, reducing operational costs and optimizing management of their indirect distribution channel.

SUBSIDIARIES

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

The Company does not have any subsidiaries in India.

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

BOARD OF DIRECTORS

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

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

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

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

Vipul Jain

Mr. Vipul Jain has stepped down as Director of the Company effective from the close of business hours on 9th August, 2017.

The Board places on record its appreciation for the valuable contribution by Mr. Vipul Jain as Director over the years.

John Johnston

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

Mr. John Johnston is the CEO of Accelya Group. He is based out of Luxembourg. He has work experience of around 40 years.

Prior to joining Accelya, John was Chairman of the Board of Directors at GLS Worldwide, also known as TRAXON Worldwide, is a joint venture company between CHAMP Cargosystems S.A., Cathay Pacific Airlines and Japan Airlines. He has a great track record for growth and has developed the most comprehensive range of integrated IT solutions for the Air Cargo Logistics Community.

During his career, John has held senior executive positions and has provided consulting services to global airlines.

Here are his key achievements over the years:

- Managed all aspects of the successful start-up of CHAMP Cargosystems.
- Defined the Vision and Strategy of CHAMP Cargosystems.
- Negotiated the $200m Cargolux Outsourcing Agreement.
- Managed the merger between CHAMP and SITA Cargo (UK) Limited.
- Managed the acquisition of Softair AG.
- Managed the acquisition of TRAXON Europe GmbH.
- Maintained year-on-year profitability and the continued growth of the CHAMP Group.

Companies in which Mr. John Johnston is a Director	
Accelya Kale Solutions Limited	Accelya Holding World SLU
Kale Softech Inc.	Accelya UK Limited
Zero Octa UK Limited	Accelya Portugal - Unipessoal Lda
Accelya America S.A. de C.V	Canary Topco Limited
Accelya Lux Sarl	Sky Bidco SLU

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

a. in the preparation of the annual accounts for the year ended 30th June, 2017, the applicable accounting standards have been followed and there are no material departures from the same;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th June, 2017 and of the profit of the Company for the year ended on that date;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts have been prepared on a going concern basis;

e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

HUMAN RESOURCE

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

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

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

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

POLICIES

Your Company has formulated Policy on Related Party Transactions, Policy for determining material subsidiaries, CSR Policy and Whistle Blower Policy in terms of the

legal requirements. These policies are available on the website of the Company at http://www.accelyakale.com/investorrelations/policies/.

RELATED PARTY TRANSACTIONS

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

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

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions for transactions which are of repetitive nature and entered in the ordinary course of business and are at arm's length.

All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Act and SEBI Listing Regulations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

VIGIL MECHANISM

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

Protected disclosures can be made by a whistle blower through an email or by a phone call to the Ombudsperson appointed under the Policy.

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

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

The Company has not received any complaint of sexual harassment during the financial year 2016-17.

RISK MANAGEMENT

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

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

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

AUDITORS

Statutory Auditors

M/s. B S R & Co. LLP were appointed as Statutory Auditors of your Company at the Annual General Meeting held on Wednesday 5th October, 2016 for a term of one year.

The term of B S R & Co. LLP expires at the conclusion of the forthcoming Annual General Meeting.

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

As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. It is proposed to appoint M/s. B S R & Co. LLP as auditors of the Company for a period of 1 year to hold office from the conclusion of the ensuing AGM till the conclusion of the 32nd AGM on a remuneration as may be fixed by the Board of Directors of the Company.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report.

There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Act and The Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014, the Company has appointed C. S. Kelkar & Associates, Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure D".

EXTRACT OF ANNUAL RETURN

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

CORPORATE GOVERNANCE

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

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report under Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015 forms a part of this report and is annexed herewith as Annexure "F".

FIXED DEPOSITS

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

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

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

ACKNOWLEDGMENT

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

For and on behalf of the Board of Directors

Neela Bhattacherjee
Managing Director
(DIN : 01912483)

Sekhar Natarajan
Independent Director
(DIN : 01031445)

Place : Mumbai
Date : 9th August, 2017

Annexure 'A'

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

PART A

1. Term of Appointment of Directors

A. Maximum Tenure of Independent Directors

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

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

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

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

B. Term of Other Directors

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

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

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

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

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

3. Criteria for Determining Qualifications of Directors

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

4. Positive Attributes

a) Integrity

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

b) Commitment

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

c) Compatibility

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

5. Criteria for Determining Independence of Directors

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

(a) who is a person of integrity and possesses relevant expertise and experience;

(b) (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate company;

(c) who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the Company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company; or

(f) who possesses the qualifications prescribed in (1) above.

6. Evaluation of Performance of Independent Directors

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

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

PART B

Remuneration Policy

1. Objective

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

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

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

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

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

2. Effective Date

This Policy is effective from 1 April 2014.

3. Remuneration

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

a) Commission

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

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

b) Re-imbursement of out of pocket expenses

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

c) Sitting Fees

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

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

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

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

B. Remuneration to Managing Director

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

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

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

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

C. Remuneration to Key Managerial Personnel and Senior Management

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

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

D. Remuneration to other employees

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

4. Disclosures

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

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

i) The ratio of remuneration of each director to the median employee's remuneration.

ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary, in the financial year;

iii) The percentage increase in the median remuneration of employees in the financial year;

iv) The number of permanent employees on the rolls of the Company;

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company

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

Annexure 'B'

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

i) The ratio of remuneration of each director to the median employee's remuneration, the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year 2016-17.

Sr. No.	Name of the Director / KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in remuneration
1	Neela Bhattacherjee	Managing Director	29:1	8.00%
2	Gurudas Shenoy	Chief Financial Officer	Not Applicable	7.50%
3	Ninad Umranikar	Company Secretary	Not Applicable	7.06%

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

ii) The percentage increase in the median remuneration of employees in the financial year 2016-17 was 11.48%.

iii) The Company has 1,609 permanent employees on the rolls of the Company as on 30th June, 2017.

iv) Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 13% whereas the increase in the managerial remuneration was 8%.

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

Annexure 'C'

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-17
[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

Accelya Annual Report on Corporate Social Responsibility

Corporate social responsibility (CSR) has become one of the standard business practices of our time.

For companies, the overall aim is to achieve a positive impact on society as a whole while maximizing the creation of shared value for the owners of the business, its employees, shareholders and stakeholders.

As an organization committed to CSR, we have been continuing to support Catalysts for Social Action, with a focus on improving living conditions, developmental aspects & aftercare support for children in childcare institutions/orphanages and on increasing the number of children available in the adoption stream.

1. Introduction

Catalysts for Social Action ("CSA") is an Indian NGO (non-governmental, social development organisation) with a mission to create a brighter future for orphans in need of care and protection.

CSA is one of the few NGO's focused on children in institutional care. Their areas of work cover the entire eco-system spanning Adoption, Orphanages and Aftercare that are included under the Juvenile Justice Act and the Integrated Child Protection Policy. Within these areas, they have identified the gaps and work with existing institutions and stakeholders to fill these gaps and strengthen the systems and processes.

CSA is making a valuable difference to **3200+** children across **60+** child care institutions in **4** states that they work out of.

I. Project SAMBHAV

Model Child Care Institution support

Goal is to improve child care outcomes at childcare institutions, build sustainable capacity & capability of the CCI and empower every child to a decent livelihood & independent living. In this way, we will help these become 'Model Child Care Institutions'

Under this project, **14** CCIs/Orphanages supported covering **1200+** children across the states of Goa, Maharashtra & Odisha.

There has been significant improvements in the following areas which have enhanced child care outcomes at these CCIs in the past year –

- Health – 2 Health checkups done, deworming done & all ailments reported have been treated. On the whole, children are keeping good health and the frequency of children falling sick has reduced.
- Health – **1200+** children vaccinated for Hepatitis – A & MMR (Measles, Mumps & Rubella also called German Measles)
- Hygiene Kits – Basic and additional hygiene items have been given to all children twice a year
- Nutrition – Supplementary nutrition is being provided; nutritionists are onboard in all states to suggest & monitor food items. There has been an improvement in the BMI (Body mass Index) level of children with **73%** children in the normal range
- Education – In this program, **29** after school tuition teachers support provided; internal assessments showed **35%** improvement in Language & **28%** improvement in Maths
- Education – 111 children appeared for their SSC Board exams, of which, **92%** passed & **49%** children passed with 1st class results
- Life Skills – Life skills sessions done with **316** children in 14+ age group. Overall improvement of **38%** in life skills competencies such as communication, self-awareness, critical thinking & collaboration

- Adolescent Health Program – In-depth training on sexual health & related topics was conducted for **172** children in 14+ age group
- Raising Standards of CCIs – Evaluation of CCIs on various parameters related to child care around the basics, developmental, aftercare support & CCI management is done via CSA assessment tool on a yearly basis. This year, overall standards improved by **6%**

Aftercare & Livelihood support

As children get older, they have to be prepared for the time when they turn 18 and have to leave the orphanage and start earning and become independent members of society. There is a big gap in this area.

Goal is to provide livelihood training, support and job opportunities so that children after the age of 18, when they can no longer remain at the orphanage, are able to earn and start building an independent life with confidence.

As part of the Aftercare program, following activities were undertaken –

- Identification of children who require aftercare support
- Provide mentoring to children towards available courses / higher education options based on academic performance, child's interest & aptitude
- Provide career awareness & counseling, financial literacy, aspirational coaching, field based learnings, field visits to offices & industries, job readiness & post job placement hand holding
- Tie ups with training institutions, skill development organisations etc.

II. Project CAP (Child Adoption Program)

Goal is to identify children at child care institutions / orphanages with no parental contact and making them legally free for adoption.

We continued to implement this project in the states of Goa, Maharashtra, Madhya Pradesh & Odisha through identification of children with no parental, contact, conduct social investigations through social workers, submitting reports to Child Welfare Committees (CWC) & follow ups to make children legally free. We have also been conducting district & grass root level awareness workshops.

Some highlights of project CAP in the past year are as follows –

- No. of CCIs from where data of children has been collected – **198 in 4 states**
- No. of children assessed – **11,581**
- Children identified without Parental Contact – **952**
- No. of children declared legally free by CWC – **136**

2. Composition of the CSR Committee

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

		(₹ in million)
3.	**Average Net Profit of the Company for the last 3 financial years**	**1,254.30**
4.	**Prescribed CSR expenditure**	**25.09**
5.	**Details of CSR spent during the financial year 2016-17**	
a.	Total amount to be spent for the financial year	25.09
b.	Total amount spent during the year	25.09
c.	Amount unspent	NIL

Manner in which the amount was spent during the financial year 2016-17 is detailed below:

(₹ in million)

Sr. No.	BUDGET HEAD	Sector in which the project is covered (*)	States Covered	Amount Outlay	Amount spent on projects	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	**Project - SAMBHAV**		Maharashtra, Goa and Odisha				**CSA**
	Health, Hygiene, Nutrition, Sanitation & Day to Day Essentials, Recreation	(i)		3.52	4.21	4.21	
	Infrastructure	(ii)		1.73	1.70	1.70	
	Education (School fees, uniforms, bags & books, tuition, lifeskills training)	(ii)		4.42	4.06	4.06	
	Vocation (training programs, exit preparation)	(ii)		1.72	1.70	1.70	
	CCI Capacity Building (CCI staff - caretakers etc., awareness & training programs)	(ii)		0.65	0.59	0.59	
	Module Devt. (Education continued and Vocation & Employment Linkages)	(ii)		0.67	0.44	0.44	
	CSA Field staff (Implementation & Monitoring)	(i) & (ii)		1.58	1.61	1.61	
	Travelling and Miscellaneous Expenses	(i) & (ii)		0.14	0.12	0.12	
	Sub Total			**14.43**	**14.43**	**14.43**	
2	**Adoption Project**	(iii)	Maharashtra, Goa and Odisha	0.66	0.66	0.66	**CSA**
3	Corporate Expenses	(iii)		1.00	1.00	1.00	**CSA**
4	Corpus Fund	-		9.00	9.00	9.00	**CSA**
	Grand Total			**25.09**	**25.09**	**25.09**	

Note (*):

(i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

6. CSR Committee Responsibility Statement

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

For and on behalf of the Board of Directors

Nani Javeri	**Neela Bhattacherjee**
Chairman of CSR Committee	**Managing Director**
DIN : 02731854	DIN : 01912483

Place : Mumbai
Date : 9th August, 2017

Annexure 'D'

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended on 30th June, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Accelya Kale Solutions Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year 1st July, 2016 to 30th June, 2017, ("the financial year") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 30th June, 2017, according to the provisions of:

   i) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent notified;

   ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rule made thereunder;

   iii) The Depositories Act, 1996 and the Regulations & Bye-Laws framed thereunder;

   iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

   v) The following Regulations & Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').

      a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;

      c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

      d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guideline, 1999 and The Securities and Exchange Board of India (Share based Employee Benefits Regulations), 2014 **(Not applicable for the year under review)**;

      e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

      f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

      g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,) 2009 **(Not applicable for the year under review)** and

      h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable for the year under review)**.

Other laws applicable specifically to the Company, namely:

1) Software Technology Parks of India – Rules & Regulations

2) Information Technology Act, 2000

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

1) Secretarial Standards issued by The Institute of Company Secretaries of India

2) The listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

3) Provisions of the Memorandum and Articles of Association of the Company

During the period under review, in our opinion, Company has complied with the Company Law Provisions, MCA Regulations, SEBI Regulations, Depositories Regulations and FEMA regulations.

E- forms filed with MCA under the provisions of the Companies Act, were generally filed within prescribed time limit. Company has made an application to the Regional Director for condonation of delay in filing charge satisfaction.

We further report that

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

We further report that

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

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

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

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

i. Public/Right/sweat equity;

ii. Redemption/ Buy-back of security;

iii. Major decision taken by the members in pursuance to section 180 of the Companies Act, 2013;

iv. Merger/amalgamation/reconstruction, etc.; and

v. Foreign technical collaborations.

We further report that during the audit period an Open Offer for acquisition of upto 3,782,966 equity shares of ₹10 each representing 25.34% of the voting share capital of the Company was made pursuant to the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended) to the public shareholders of the Company by Sky Bidco S.L.U. (Acquirer) along with Canary Topco Limited (PAC 1), Canary Holdco Limited (PAC 2), Canary Finco Limited (PAC 3), Canary Midco Limited (PAC 4) and Sky Holdco Limited (PAC 5). Through this offer, 171 equity shares of the Company were acquired by Canary Topco Ltd, UK.

For C.S. Kelkar & Associates
Company Secretaries

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

Date : 31st July, 2017
Place : Pune

Annexure 'E'

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended 30th June, 2017

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

I. REGISTRATION & OTHER DETAILS

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

II. Principal Business Activities of the Company (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares Held at the Beginning of the Year				No. of Shares Held at the End of the Year				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter and Promoter Group									
Indian									
Individual /HUF	-	-	-	-	-	-	-	-	-
Central Govt. / State Govt(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total A(1) :	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign									
Individuals (NRIs / Foreign Individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	11,143,295	-	11,143,295	74.66	11,143,466	-	11,143,466	74.66	0.00
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total A(2)	**11,143,295**	**-**	**11,143,295**	**74.66**	**11,143,466**	**-**	**11,143,466**	**74.66**	**0.00**
Total A=A(1)+A(2)	**11,143,295**	**-**	**11,143,295**	**74.66**	**11,143,466**	**-**	**11,143,466**	**74.66**	**0.00**
Public Shareholding									
Mutual Funds /UTI	605,411	-	605,411	4.06	330,527	-	330,527	2.21	(1.85)
Financial Institutions / Banks	7,869	400	8,269	0.05	6,676	400	7,076	0.05	(0.01)
Central Govt. / State Govt(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors	523,818	50	523,868	3.51	836,331	50	836,381	5.60	2.09
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1)	**1,137,098**	**450**	**1,137,548**	**7.62**	**1,173,534**	**450**	**1,173,984**	**7.87**	**0.24**

Category of Shareholders	No. of Shares Held at the Beginning of the Year				No. of Shares Held at the End of the Year				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non-Institutions									
Bodies Corporate	444,007	300	444,307	2.98	441,287	300	441,587	2.96	(0.02)
Individuals									
(i) Individuals holding nominal share capital upto ₹1 lakh	1,653,690	145,738	1,799,428	12.05	1,609,788	137,908	1,747,696	11.71	(0.35)
(ii) Individuals holding nominal share capital in excess of ₹1 lakh	192,326	-	192,326	1.28	160,794	-	160,794	1.08	(0.21)
Others									
Foreign Nationals	10,132	7,500	17,632	0.12	8,032	7,500	15,532	0.10	(0.02)
Clearing Members	4,228	-	4,228	0.03	1,099	-	1,099	0.01	(0.02)
Non Resident Indians	178,370	8,022	186,392	1.25	233,411	7,672	241,083	1.61	0.37
Trusts	1,105	-	1,105	0.01	1,020	-	1,020	0.01	0.00
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total B(2)	**2,483,858**	**161,560**	**2,645,418**	**17.72**	**2,455,081**	**153,380**	**2,608,811**	**17.48**	**(0.25)**
Total B=B(1)+B(2)	3,620,956	162,010	3,782,966	25.34	3,628,965	153,830	3,782,795	25.34	0.00
Total (A+B)	14,764,251	162,010	14,926,261	100.00	14,772,431	153,830	14,926,261	100.00	0.00
Shares held by custodians, against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C) :	**14,764,251**	**162,010**	**14,926,261**	**100.00**	**14,772,431**	**153,830**	**14,926,261**	**100.00**	**0.00**

B) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Accelya Holding World S.L.	11,143,295	74.66	-	11,143,295	74.660	-	-
2	Canary Topco Limited	-	-	-	171	0.001	-	0.001

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	11,143,295	74.6556	11,143,295	74.6556
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):			Refer Note – I below	
	At the end of the year	11,143,466	74.6568	11,143,466	74.6568

Note – I

Sr. No.	Name	Shareholding at the beginning of the Year		Dates	Increase / (Decrease) in share-holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company				No of Shares	% of total shares of the Company
1	Accelya Holding World S.L.	11,143,295	74.6556	01/07/2016	-	-	11,143,295	74.6556
2	Canary Topco Limited	-	-	17/05/2017	171	Acquisition of shares under Open Offer	171	0.0011

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

Sr. No.	Name	Shareholding at the beginning of the Year		Dates	Increase / (Decrease) in share-holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company				No of Shares	% of total shares of the Company
1	SBI Magnum Balanced Fund	555,986	3.72	30/06/2016			555,986	3.72
				21/10/2016	(2,885)	Sale	553,101	3.71
				04/11/2016	(8,420)	Sale	544,681	3.65
				11/11/2016	(9,745)	Sale	534,936	3.58
				25/11/2016	(102,068)	Sale	432,868	2.90
				23/12/2016	(9,650)	Sale	423,218	2.84
				30/12/2016	(1,138)	Sale	422,080	2.83
				10/02/2017	(64,087)	Sale	357,993	2.40
				17/02/2017	(20,000)	Sale	337,993	2.26
				19/05/2017	(20,369)	Sale	317,624	2.13
				16/06/2017	(12,000)	Sale	305,624	2.05
				30/06/2017			305,624	2.05

Sr. No.	Name	Shareholding at the beginning of the Year		Dates	Increase / (Decrease) in share-holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company				No of Shares	% of total shares of the Company
2	VLS Finance Limited	300,000	2.01	30/06/2016			300,000	2.01
				30/12/2016	(3,681)	Sale	296,319	1.99
				06/01/2017	(2,730)	Sale	293,589	1.97
				20/01/2017	(4,864)	Sale	288,725	1.93
				27/01/2017	(5,747)	Sale	282,978	1.90
				03/02/2017	(560)	Sale	282,418	1.89
				30/06/2017			282,418	1.89
3	Premier Investment Fund Limited	154,535	1.04	30/06/2016			154,535	1.04
				08/07/2016	(2,433)	Sale	152,102	1.02
				16/09/2016	(2,257)	Sale	149,845	1.00
				28/10/2016	(633)	Sale	149,212	1.00
				10/02/2017	(1,500)	Sale	147,712	0.99
				03/03/2017	(7)	Sale	147,705	0.99
				17/03/2017	(4,563)	Sale	143,142	0.96
				21/04/2017	(8,442)	Sale	134,700	0.90
				23/06/2017	(2,586)	Sale	132,114	0.89
				30/06/2017			132,114	0.89
4	Valuequest India Moat Fund Limited	147,843	0.99	30/06/2016			147,843	0.99
				22/07/2016	3,445	Purchase	151,288	1.01
				29/07/2016	2,925	Purchase	154,213	1.03
				05/08/2016	4,340	Purchase	158,553	1.06
				02/09/2016	920	Purchase	159,473	1.07
				09/09/2016	555	Purchase	160,028	1.07
				16/09/2016	2,401	Purchase	162,429	1.09
				25/11/2016	100,000	Purchase	262,429	1.76
				10/02/2017	50,000	Purchase	312,429	2.09
				17/02/2017	42,163	Purchase	354,592	2.38
				24/03/2017	8,679	Purchase	363,271	2.43
				31/03/2017	5,503	Purchase	368,774	2.47
				07/04/2017	1,342	Purchase	370,116	2.48
				21/04/2017	28,676	Purchase	398,792	2.67
				28/04/2017	15,765	Purchase	414,557	2.78
				05/05/2017	8,474	Purchase	423,031	2.83
				12/05/2017	11,198	Purchase	434,229	2.91
				19/05/2017	18,500	Purchase	452,729	3.03
				09/06/2017	421	Purchase	453,150	3.04
				16/06/2017	17,013	Purchase	470,163	3.15
				30/06/2017			470,163	3.15

Sr. No.	Name	Shareholding at the beginning of the Year		Dates	Increase / (Decrease) in share-holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company				No of Shares	% of total shares of the Company
5	Somerset Emerging Markets Small Cap Fund LLC	120,548	0.81	30/06/2016			120,548	0.81
				30/06/2017			120,548	0.81
6	Sundaram Mutual Fund A/c Sundaram Select Micro Cap	32,093	0.22	01/07/2016			32,093	0.22
				08/07/2016	(2,527)	Sale	29,566	0.20
				10/02/2017	(778)	Sale	28,788	0.19
				24/02/2017	(145)	Sale	28,643	0.19
				14/04/2017	(28,643)	Sale	-	-
				30/06/2017			-	-
7	Karvansarai Travel and Lifestyle Private Limited	-	-	01/07/2016			-	-
				24/03/2017	24,323	Purchase	24,323	0.16
				30/06/2017			24,323	0.16
8	SBI Pipe Fund - 1	22,002	0.15	30/06/2016			22,002	0.15
				24/03/2017	(5,000)	Sale	17,002	0.11
				28/04/2017	(5)	Sale	16,997	0.11
				30/06/2017			16,997	0.11
9	National Westminster Bank PLC as Depository of PFS	20,004	0.13	30/06/2016			20,004	0.13
				28/10/2016	146	Purchase	20,150	0.13
				04/11/2016	2,038	Purchase	22,188	0.15
				11/11/2016	4,500	Purchase	26,688	0.18
				30/06/2017			26,688	0.18
10	Nimis Savailal Sheth	19,700	0.13	30/06/2016			19,700	0.13
				23/06/2017	2,700	Purchase	22,400	0.15
				23/06/2017	(2,700)	Sale	19,700	0.13
				30/06/2017			19,700	0.13
11	Church Commissioners For England Re Somerset	19,246	0.13	30/06/2016			19,246	0.13
				30/06/2017			19,246	0.13
12	Geeta N Sheth	18,000	0.12	30/06/2016			18,000	0.12
				30/06/2017			18,000	0.12

E) Shareholding of Directors and Key Managerial Personnel:

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

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

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

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

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Neela Bhattacherjee	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,451,492	8,451,492
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify…	-	-
5	Others, please specify		
	Fuel and Maintenance	234,009	234,009
	Driver Salary	251,456	251,456
	Insurance	25,446	25,446
	Medical Allowance	120,000	120,000
	Contribution to Provident Fund	504,000	504,000
	Leave Travel Allowance	80,000	80,000
	Incentive	3,702,593	3,702,593
	Total	**13,408,596**	**13,408,596**

B. Remuneration to other directors

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors							Total
		Sekhar Natarajan	K. K. Nohria	Nani Javeri	Sangeeta Singh	Philippe Lesueur	John Johnston	Vipul Jain	
		Independent Directors				Non-Executive Directors			
1	Fee for attending board & committee meetings	500,000	450,000	600,000	600,000	-	-	125,000	2,275,000
2	Commission	100,000	100,000	100,000	100,000	-	-	100,000	500,000
3	Others, please specify	-	-	-	-	-	-	-	-
	Total	**600,000**	**550,000**	**700,000**	**700,000**	**-**	**-**	**225,000**	**2,775,000**

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,244,788	6,817,396	10,062,184
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	51,600	51,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify…	-	-	-
5	Others, please specify			
	-Insurance	16,958	19,206	36,164
	-Gratuity	25,045	60,577	85,622
	-Gift Card	5,000	5,000	10,000
	Contribution to Provident Fund	62,509	151,200	213,709
	Leave Travel Allowance	80,000	80,000	160,000
	Total	**3,434,300**	**7,184,979**	**10,619,279**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Neela Bhattacherjee
Managing Director
(DIN : 01912483)

Sekhar Natarajan
Independent Director
(DIN : 01031445)

Place: Mumbai
Date: 9th August, 2017

Annexure 'F'

BUSINESS RESPONSIBILITY REPORT
(As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L74140PN1986PLC041033
2. Name of the Company : Accelya Kale Solutions Limited
3. Registered address : Accelya Enclave, 685 / 2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune – 411 037
4. Website : www.accelyakale.com
5. E-mail id : accelyakale.investors@accelya.com
6. Financial Year reported : 1 July, 2016 – 30 June, 2017
7. Sector(s) that the Company is engaged in (industrial activity code-wise) :
   Computer Programming, Consultancy and Related activities
8. List three key products/services that the Company manufactures/provides (as in balance sheet) :
   i) Business Process Outsourcing (ITeS)
   ii) Software Application Hosting and Support
   iii) Software License and Maintenance
9. Total number of locations where business activity is undertaken by the Company :
   (a) Number of International Locations (Provide details of major 5) : 2
   (b) Number of National Locations : 5
10. Markets served by the Company – Local/State/National/International : National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : ₹ 149,268,660
2. Total Turnover : ₹ 3,324,046,189
3. Total profit after taxes : ₹ 888,630,109
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 2.82%
5. List of activities in which expenditure in 4 above has been incurred : Refer Annexure 'C' to Directors Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?
   Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
   No
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
   No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for Business Reporting (BR)

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1. DIN Number : 01912483
2. Name : Ms. Neela Bhattacherjee
3. Designation : Managing Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	01912483
2	Name	Neela Bhattacherjee
3	Designation	Managing Director
4	Telephone number	022-67808888
5	E-mail id	neela.bhattacherjee@accelya.com

2. Principle-wise (as per National Voluntary Guidelines) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	N	N	N	N	N	N	N	N	N
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Refer Note 1								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	N	N	N	N	N	N	N	N	N
6	Indicate the link for the policy to be viewed online?	Refer Note 2								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1 : As per the approval matrix of the Company, policies are approved by the concerned Head of the Department.

Note 2 : All the policies are uploaded on the Accelya Kale website http://www.accelyakale.com/investor-relations/policies/

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

The Company is publishing the Business Responsibility Report for the first time in the financial year 2016-17 as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a part of its Annual Report and shall be doing so as may be required under the statutory provisions. Going forward, the Board of Directors shall assess the BR performance of the Company once a year by way of reviewing the draft Business Responsibility Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group /Joint Ventures / Suppliers / Contractors / NGOs / Others?

   The Code of Conduct and Whistleblower Policy cover the Company as well as all stakeholders of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   There were none whistle blower complaints received during the financial year 2016-17.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

(a)	REVERA PRA	Company is in a business to provide software products and Services to Airline/s Finance. Not being a manufacturing organisation, usage of raw material water are not applicable. However, the products and solutions design areas does take cognizance of environmental impact. All the solutions have direct data based interfaces to Airline IT ecosystems and dashboards for reporting, thereby avoiding usage of paper and other physical media for interaction. Over a period of last five years, the usage of paper and tapes for customer interaction has reduced to zero.
(b)	REVERA CRA	
(c)	FINESSE MBS	

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   Not Applicable

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
Not Applicable

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Yes, the Company has procedures in place for sustainable sourcing including transportation.

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The procurement team ensures that laptops and desktops procured are of high quality and have high energy efficiency as against the standard non-efficient laptops and desktops.

4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Our procurement team ensures that while selecting a vendor it takes into consideration quality of the product/ service, service capabilities and competitive advantage.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Your company is in the business of providing software products and services. Not being a manufacturing organisation, there are no harmful effects from the Company's business on the environment. However if there are any such effects anytime in the future, the Company will minimize the potentially harmful effects of its activities on the environment. The Company is committed to protect and preserve the environment. It is the endeavor of the Company to reuse rather than dispose whenever possible, any disposed material. The Company promotes recycling and use of recycled materials.

Principle 3

1. Please indicate the Total number of employees.
1,609

2. Please indicate the Total number of employees hired on temporary / contractual / casual basis.
234

3. Please indicate the Number of permanent women employees.
637

4. Please indicate the Number of permanent employees with disabilities
5 employees

5. Do you have an employee association that is recognized by management.

Accelya recognizes the right to freedom of association and encourages associates to connect, discuss ideas and raise issues through readily available internal tools and platforms. Although in India our associates are not part of any trade unions, there are internal tools, readily available to all associates to share their views, opinions and ideas across managerial levels and across the organization. Accelya follows the local rules and regulations in the country of our operations and adheres to these collective bargaining agreements in some of the European countries where applicable.

6. What percentage of your permanent employees is members of this recognized employee association?
Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

(a) Permanent Employees 90%
(b) Permanent Women Employees 95%
(c) Casual/Temporary/Contractual Employees 70%
(d) Employees with Disabilities 29%

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No:

Yes. The Company has mapped its internal and external stakeholders:

- Customers, Clients
- Investors and Shareholders
- Suppliers and Vendors
- NGOs
- Industry bodies

Your company follows a proactive and transparent culture of ensuring all its stakeholders including investors, employees, customers and analysts are updated on key initiatives and broad business plans. One of the key values of your company is customer centricity and the same is evident in the way it conducts its market facing communication.

2. Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders.

Your Company has identified the disadvantaged, vulnerable and marginalized stakeholders.

- Children and youth from disadvantaged backgrounds
- Girls/young women
- Persons with disabilities

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

As an organization committed to CSR, we have been continuing to support Catalysts for Social Action (CSA), an NGO, with a focus on improving living conditions, developmental aspects and aftercare support for children in childcare institutions/orphanages and on increasing the number of children available in the adoption stream.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   Policies on human rights, including the Code of Conduct, Prevention of Sexual Harassment at Workplace Policy and the Whistleblower Policy cover the Company as well as all stakeholders of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   The Company did not receive any stakeholder complaint in the past financial year.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

   The policy is part of the Code of Conduct and extends to all stakeholders of the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Your company is in the business of providing software products and services. Not being a manufacturing organisation, there are no harmful effects from the Company's business on the environment. As such, the company does not have formal stategy/ initiative in this regard.

3. Does the company identify and assess potential environmental risks? Y/N

   Your company is in the business of providing software products and services. Not being a manufacturing organisation, there are no harmful effects from the Company's business on the environment. However, the Company is committed to protect and preserve the environment.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   Your Company is in the business of providing software products and services. Not being a manufacturing organisation, there are no harmful effects from the Company's business on the environment. As such, the Company has not carried out any project related to Clean Development Mechanism. However, the Company is committed to protect and preserve the environment.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Since the Company is in the business of providing software products and services, there are no harmful effects from the Company's business on the environment. However, for desktop power saving we use third party tool for effective hibernation at few locations.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   The Company has not received any show cause/ legal notices from CPCB/SPCB during the Financial Year.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   No.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   No.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   i) Project Sambhav – A Model Home Project - The project is a holistic development model that works on primary interventions as well as long term deeper engagements for systemic changes. The Project engages with 14 orphanages/child care institutions (CCI's) across 4 Indian states having 1200+ children and works to improve and enhance the quality of care to children in the allied CCI's.

   The focus of our primary support and interventions are Preventive health care, Sanitation & Nutrition, and Recreation and then move towards a deeper engagements like Education, Life Skills, Vocational/Aftercare programmers for children along with Infrastructural and capacity building programmers for the Orphanages.

   ii) Project CAP (Child Adoption Program) - Goal is to identify children in CCI's with no parental contact and make them legally free for adoption.

   We continued to implement this project in the states of Goa, Maharashtra, Madhya Pradesh and Odisha through identification of children with no parental, contact, conduct social investigations through social workers, submitting reports to Child Welfare Committees (CWC) and follow ups to make children legally free. We have also been conducting district and grass root level awareness workshops.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   Our key Project and various programmatic interventions are done by an external implementing agency and an Indian NGO "Catalysts for Social Action (CSA)", with a focus on improving living conditions, developmental aspects and aftercare support for children in childcare institutions/orphanages and on increasing the number of children available in the adoption stream.

3. Have you done any impact assessment of your initiative?

   A continuous and robust impact assessments of our initiatives are planned and executed by Catalyst For Social action. Each program has an yearly assessment process around quantitative and qualitative outcomes.

In Project Sambhav: There has been significant improvements in the following areas which have enhanced child care outcomes at these CCIs in the past year –

- Health – 2 Health checkups done, deworming done and all ailments reported have been treated. On the whole, children are keeping good health and the frequency of children falling sick has reduced.
- Health – 1200+ children vaccinated for Hepatitis – A & MMR (Measles, Mumps & Rubella also called German Measles)
- Hygiene Kits – Basic and additional hygiene items have been given to all children twice a year
- Nutrition – Supplementary nutrition is being provided; nutritionists are onboard in all states to suggest and monitor food items. There has been an improvement in the BMI (Body mass Index) level of children from 54% to 73% children in the normal range
- Education – In this program, 29 after school tuition teachers' support provided; internal assessments showed 35% improvement in Language and 28% improvement in Math.
- Education – 111 children appeared for their SSC Board exams, of which, 92% passed and 49% children passed with 1st class results
- Life Skills – Life skills sessions done with 316 children in 14+ age group. Overall improvement of 38% in life skills competencies such as communication, self-awareness, critical thinking and collaboration
- Adolescent Health Program – In-depth training on sexual health and related topics was conducted for 172 children in 14+ age group

- Raising Standards of CCIs – Evaluation of CCIs on various parameters related to child care around the basics, developmental, aftercare support and CCI management is done via CSA assessment tool on a yearly basis. This year, overall standards improved by 6%

In the Adoption Project: No. of CCIs from where data of children has been collected – 198 in 4 states

- No. of children assessed – 11,581
- Children identified without Parental Contact – 952
- No. of children declared legally free – 136

4. What is your company's direct contribution to community development projects - Amount in INR million and the details of the projects undertaken.

   i) Project Sambhav – A Model Home Project – ₹ 14.43 million

   ii) Project CAP (Child Adoption Program) – ₹ 0.66 million

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   The supported Implementing Agency has put an efficient system in place in order to ensure various development initiatives acceptance and adoption by the allied Orphanages/Child Care institutions. Details are as below –

i) Signing off a Memorandum of Understanding – This ensures the allied home's/orphanage's leadership buy-in to the various engagements and their participation in a collective approach of planning and execution of various childcare activities.

ii) Quarterly review and brainstorming meetings with the senior leadership and home management team – This process helps in efficient planning around child centric requirements and timely implementation by collective participation by the home staff and CSA location Staff.

iii) CCI Evaluation System – The annual CCI assessment helps to understand the current state of the existing childcare and initiatives taken to upgrade the holistic child care practices at allied CCIs.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   For financial year 2016-17, we have addressed all customer complaints and there are no pending customer complaints.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

   Not Applicable. The software products when supplied are accompanied by product documentation which covers details of products and their usage.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   There has been no case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Yes, customer satisfaction survey is carried for key products annually.

Annexure 'G'

Conservation of Energy

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

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

Technology Absorption

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

Research and Development (R&D)

Your Company has a well-equipped Research and Development team carrying on research and development activities. The total expenditure incurred on Research and Development during the year 2016-17 was ₹ 14.55 million.

Foreign exchange earning and outgo

The details of foreign exchange earnings and outgo are given in Note Nos. 30 to 32 of the "Notes to Financial Statements".

For and on behalf of the Board of Directors

Neela Bhattacherjee	**Sekhar Natarajan**
Managing Director	**Independent Director**
(DIN : 01912483)	(DIN : 01031445)

Place: Mumbai

Date: 9th August, 2017

Report on Corporate Governance

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

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

Board Composition

As on 30th June, 2017, the Company has seven directors consisting of a non-Executive Chairman, one Managing Director, four independent directors and one non-executive non-independent director.

Board Meetings

Six Board Meetings were held during the financial year 2016-17.

Name of Director	Designation	Category	Directorships / Board Committees (Number)		
			Other Directorships	Committee Membership	Committee Chairmanship
Mr. Philippe Lesueur (#)	Chairman	Non-Executive (Promoter)	5	2	-
Ms. Neela Bhattacherjee	Managing Director	Executive	-	1	-
Mr. Vipul Jain (**)	Director	Non-Executive	4	-	-
Mr. K. K. Nohria	Director	Independent and Non- Executive	13	14	3
Mr. Sekhar Natarajan	Director	Independent and Non- Executive	5	5	6
Mr. Nani Javeri	Director	Independent and Non- Executive	7	8	5
Ms. Sangeeta Singh	Director	Independent and Non- Executive	6	7	3
Mr. John Johnston(*)	Chairman	Non-Executive	5	1	-

(#) Resigned as Chairman and Director with effect from close of business hours on 5th October, 2016.
(*) Appointed Chairman with effect from 6th October, 2016.
(**) Resigned as Director with effect from close of business hours on 9th August, 2017.

Dates of Board Meetings

3rd August, 2016 • 9th November, 2016 • 7th February, 2017 • 22nd February, 2017 • 3rd May, 2017 • 29th June, 2017

Attendance at Board Meetings and Last Annual General Meeting

Name of Director	No. of Board Meetings Attended	Attendance at AGM held on 5th October, 2016
Mr. Philippe Lesueur(#)	1	Yes
Mr. John Johnston(*)	4	Yes
Ms. Neela Bhattacherjee	6	Yes
Mr. Vipul Jain(**)	5	Yes
Mr. K. K. Nohria	6	No
Mr. Sekhar Natarajan	6	Yes

Name of Director	No. of Board Meetings Attended	Attendance at AGM held on 5th October, 2016
Mr. Nani Javeri	6	Yes
Ms. Sangeeta Singh	6	Yes

(#) Resigned as Chairman and Director with effect from close of business hours on 5th October, 2016.

(*) Appointed Chairman with effect from 6th October, 2016.

(**) Resigned as Director with effect from close of business hours on 9th August, 2017.

Familiarisation Programme

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

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

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

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

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

Board Committees

Currently Board has six committees

i) Audit Committee

ii) Stakeholders Relationship Committee

iii) Nomination and Remuneration Committee

iv) Share Transfer Committee

v) Corporate Social Responsibility Committee

vi) Risk Management Committee

None of the Directors of the Company is a member of more than ten committees or acts as a Chairman of more than five committees across all companies in which she/he is a Director. In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the purpose of determination of limit, chairpersonship and membership of the Audit Committee and the Stakeholders' Relationship Committee alone is considered.

Composition of Committees

i) Audit Committee

Five meetings of the Committee were held during the financial year 2016-17.

Name of Director	Category	No. of Meetings Attended
Mr. Sekhar Natarajan (*)	Independent Director	5
Mr. K. K. Nohria	Independent Director	4
Mr. Nani Javeri	Independent Director	5
Ms. Sangeeta Singh	Independent Director	5

(*) Chairman of the Committee

Terms of Reference

a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

   ii. Changes, if any, in accounting policies and practices and reasons for the same

   iii. Major accounting entries involving estimates based on the exercise of judgment by management

   iv. Significant adjustments made in the financial statements arising out of audit findings

   v. Compliance with listing and other legal requirements relating to financial statements

   vi. Disclosure of any related party transactions

   vii. Qualifications in the draft audit report

e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the company with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

n) Discussion with internal auditors of any significant findings and follow up there on;

o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

r) To review the functioning of the Whistle Blower mechanism;

s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii) Stakeholders Relationship Committee

Four meetings of the Committee were held during the financial year 2016-17.

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

(*) Chairman of the Committee

Terms of Reference

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

Name and Designation of Compliance Officer

Ninad G. Umranikar – Company Secretary

iii) Nomination and Remuneration Committee

One meeting of the Committee was held during the financial year 2016- 17.

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

(*) Chairperson of the Committee.

(#) Resigned with effect from 5th October, 2016.

($) Appointed member with effect from 9th November, 2016.

Terms of Reference

i) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

ii) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

iii) while formulating the policy under (ii) above, ensure that—

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Remuneration Policy

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

Remuneration to Managing Director

Ms. Neela Bhattacherjee was paid ₹ 13,408,596 as remuneration for the period from 1st July, 2016 to 30th June, 2017.

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

Stock Options

Ms. Neela Bhattacherjee was not granted any stock options during the year.

Service Contract, Notice Period and Severance Fees

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

Remuneration to Non-Executive Directors

Commission - ₹ 500,000/-

Sitting Fees - ₹ 2,750,000/-

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

* Resigned as Chairman and Director with effect from 5th October, 2016.

Stock Options to Non – Executive Directors

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

No. of equity shares held by Non – Executive Directors

As on 30th June, 2017, none of the non–executive directors held any equity share in the Company.

iv) Share Transfer Committee

Name of Director	Category
Mr. Philippe Lesueur#	Non-Executive Non-Independent Director
Mr. John Johnston (*)	Non-Executive Non-Independent Director
Ms. Neela Bhattacherjee	Managing Director
Mr. Gurudas Shenoy	Chief Financial Officer
Mr. Ninad Umranikar	Company Secretary

(#) Resigned with effect from 5 October, 2016.

(*) Appointed Chairman with effect from 9 November, 2016.

12 meetings of the Committee were held during the financial year 2016-17.

Terms of Reference

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

v) Corporate Social Responsibility Committee

Four meetings of the Committee were held during the financial year 2016-17.

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

(*) Chairman of the Committee

(#) Resigned with effect from 5th October, 2016.

Terms of reference

a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;

b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and;

c) To monitor the Corporate Social Responsibility Policy of the Company from time to time.

vi) Risk Management Committee

Two meetings of the Committee were held during the financial year 2016-17.

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

(*) Chairman of the Committee

Terms of reference

a) Annually review and approve the Risk Management Policy and associated frameworks, policies and practices of the Company.

b) Evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.

c) Access to any internal information necessary to fulfill its oversight role.

d) Have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

Quorum

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

Disclosures

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

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

Pursuant to the requirement of Regulation 30 of SEBI Listing Regulations, the Company would like to inform that

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

Separate meeting of Independent Directors

One meeting of Independent Directors was held during the year to discuss:

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

Meeting of Committee of Independent Directors

Two meetings of the Committee were held during the financial year 2016-17.

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

(*) Chairman of the Committee

Means of communication

Half yearly report sent to each household of Shareholder:	No
Quarterly results:	
Which newspapers normally published in:	Financial Express & Loksatta
Any website where displayed:	www.accelyakale.com
Whether it also displays official news releases and presentations made to institutional investors or to analysts:	Yes
Whether MD&A is a part of annual report or not:	Yes

Compliance with Governance Framework

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

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

Shareholder Information

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

General Body Meetings

Particulars of Annual General Meetings held during last three years:

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

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

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

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

Year 2016 Annual General Meeting dated 5th October, 2016 – at Sumant Moolgaokar Auditorium, 'A Wing', Ground Floor, Mahratta Chamber of Commerce, Industries and Agriculture, Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune 411 016 at 12 noon.

No Special Resolution was passed at the 30th Annual General Meeting held on 5th October, 2016

DECLARATION

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

Date : 9th August, 2017
Place : Mumbai

Neela Bhattacherjee
Managing Director

Certificate of Corporate Governance

To
The Members
Accelya Kale Solutions Limited

I have examined the compliance of conditions of Corporate Governance by Accelya Kale Solutions Limited ("the Company"), for the year ended on June 30, 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange.

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

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange.

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

For Nilesh A. Pradhan & Co.
Practicing Company Secretary
Nilesh A Pradhan
Proprietor
C. P. No: 3659
FCS No. 5445

Date : 9th August, 2017
Place : Mumbai

Safe Harbor Statement

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

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

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

INDUSTRY OUTLOOK:

GLOBAL TRAVEL SECTOR:

2016 was a strong year for the airline industry. For the second time in the history of the industry, earned return on invested capital (9.9%) exceeded cost of capital (estimated at 6.6%). According to the International Air Transport Association (IATA), 2017 is expected to be the eighth year in a row of aggregate airline profitability. IATA has made the following forecast for the airline industry in 2017:

- The airline industry is expected to transport approximately 4 billion passengers and 58 million metric tons of cargo in 2017 compared to 3.8 billion passengers and 54 million metric tons of cargo in 2016.
- The airline industry's revenue is estimated at $743 billion with profit of $31.4 billion; this is 4.2% net profit margin. In 2016, the industry revenue is estimated at $705 billion with profit of $34.8 billion at 4.9% net profit margin.
- Airlines are expected to make a profit on average of $7.7 for every passenger carried in 2017 as compared to $9.1 in 2016.

According to the Airline Finance Professionals Outlook 2017 (AFPO)*, 66% respondents believe that airline financial health has improved over the last year. Overall the airline industry is optimistic about future growth in air travel and cargo.

ACCELYA GROUP'S STRATEGY:

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

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

Accelya is a market leader in financial solutions to the airline industry with a comprehensive portfolio covering revenue accounting, cost management, payment solutions and revenue assurance. The Company's strength lies in its unique business model where the platforms are on a hosted environment; and also additionally "Service Cubes" which are

optional services through our Managed Process Service (MPS) centres. The customer also has the opportunity to fully outsource these services.

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

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

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

ACCELYA GROUP UPDATES:

This year, the Accelya Group transitioned ownership to Warburg Pincus, a global private equity firm focused on growth investing. Warburg Pincus acquired majority shares in the group and also owns majority shares in Mercator, a global provider of software platforms and product-enabled solutions to the travel and transport industry. With Warburg Pincus backing, Accelya and Mercator will operate under a single brand. John Johnston, current Chief Executive Officer of Accelya was appointed Chief Executive Officer of the combined group. The combined entity will benefit from enhanced product and technology capabilities which will ensure the continued development of new solutions for the travel and transport industry. The combined group has revenues of $200+ million and over 400 customers, including 250 airline customers.

Accelya has recently acquired Anari, a global provider of revenue integrity solutions, to further enhance its airline commercial optimization portfolio.

Accelya Group won the coveted Air Transport News (ATN) Service Provider of the Year 2017 Award. Accelya also featured in the International Association of Outsourcing Professionals (IAOP) Global Outsourcing 100 List 2017, a list of the leading outsourcing firms in the World.

ACCELYA KALE UPDATES:

Throughout the year, the Company experienced good traction in its revenue accounting and cost management solutions. Some of the highlights include:

- Accelya Kale surpassed 1 billion transactions per annum on its revenue accounting platform REVERA
- El Al, the national carrier of Israel, selected Accelya Kale's REVERA® for passenger revenue accounting
- The REVERA Strategic Product Group (SPG) program was recognized for taking customer collaboration to the next level at ITSMA 2016 Marketing Excellence Awards
- FinesseCost™, our cost management solution, added two new customers this year. With these additions, FinesseCost has a total of six airline customers including two tier one airlines and one low cost carrier.
- Biman Bangladesh, the flag carrier airline of Bangladesh, selected Accelya Kale's Finesse Flight Profitability System to aid its network expansion.

In an endeavor to bring best in class solutions to customers, the Company launched the following new initiatives:

- Connect2ERP™ solution version 2.0 was launched on SAP-certified integration with the SAP® ERP application. This will enable airlines to better integrate their accounting systems and financial solutions.
- APEX® Miles was built to leverage Accelya Kale's APEX Proration, the industry-recognised proration engine. It accurately derives revenue-based earned miles while supporting existing airline mileage charts based on distance, RBD (reservation booking designators), or a combination of these.

ACCELYA KALE'S MAJOR OFFERINGS:

REVERA®- Revenue Accounting Solution: Accelya Kale has more than 25 years of experience in revenue accounting and helps airlines process over 1 billion revenue accounting transactions annually. In this category we are considered to be one of the leaders in the industry.

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

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

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

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

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

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

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

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

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

ACCELYA KALE'S STRENGTHS AND OPPORTUNITIES:

Strong global presence

Accelya Kale is a part of the Accelya Group. With the combination of Mercator and Accelya, the combined Company has Revenues of $200+ million and over 400 customers, including 250 airline customers. With operations in more than 15 geographies, the Company now has better opportunities to connect with global customers.

Business focus and expertise

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

Neutral service provider

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

Single vendor accountability

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

Relationship with customers

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

Pay as you use model

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

Shareholders' funds

Shareholders' funds increased from ₹ 949.65 million to ₹ 1,646.81 million during the year 2016-17.

Equity

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

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

Profit and Loss Account

Accelya Kale's retained earnings as at June 30, 2017 amount to ₹ 931.86 million. The Board has recommended a final dividend of ₹ 40 per share for the financial year 2016-2017 at the Board Meeting held on 9th August, 2017. The Company has not made any provision for dividend (including dividend tax) to the tune of ₹ 718.60 million as per pre-revised Accounting Standard 4 (AS 4).

As at 30th June, 2017, Accelya Kale's book value per share increased to ₹ 110.33 per share as compared to ₹ 63.62 per share as at 30th June, 2016.

General Reserves Account

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

Capital Redemption Reserve

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

Investment

Accelya Kale's Investments at cost, as at 30th June, 2017 stands at ₹ 474.15 million. There is no change to this balance in the current year.

Fixed Assets

Product Development

During the period, product development cost amounting to ₹ 14.55 million has been capitalised as intangible assets.

Other Fixed Assets

Accelya Kale added ₹ 134.29 million to the gross block comprising of ₹ 119.75 million in Plant and Machinery, ₹ 5.7 million in purchase of Software, and the balance ₹ 8.84 million in other assets.

Sale / Disposal of Assets

During the year, Accelya Kale sold/ disposed of assets with a Gross Book value of ₹ 58.37 million and a depreciated Net Value of ₹ 58. 2 million. The sold assets included old plant & machinery, furniture & fixtures and vehicles.

Accelya Kale's Gross Block as at June 30, 2017 stood at ₹ 1,434.06 million as compared to ₹ 1,343.59 million as at June 30, 2016. The corresponding Net Block as at June 30, 2017 is ₹ 355.5 million as compared to ₹ 350.24 million as at June 30, 2016.

Trades Receivables

Accelya Kale's Net Receivables as at June 30, 2017 amounted to ₹ 570.2 million as compared to ₹ 363.71 million as at June 30, 2016. These debtors are considered good and realisable.

The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates and general economic factors which could affect the customer's ability to settle and finally depending on the management's perception of the risk. The total provision for doubtful debts as at 30th June 2017 stands at ₹ 8.16 million compared to ₹ 5.97 million as at 30th June, 2016.

Trade receivables as a percentage of total revenue is 16.50% as at 30th June 2017 as against 11.40% as at 30th June, 2016.

Non-current Liabilities

As at 30th June, 2017 Accelya Kale's non-current liabilities amount to ₹ 62.09 million as compared to ₹ 65.53 million as at 30th June, 2016.

Current Liabilities

As at 30th June, 2017 Accelya Kale's current liabilities amount to ₹ 535.65 million as compared to ₹ 927.8 million as at 30th June, 2016.

Result of Operations

Sale of services

For the year ended 30th June, 2017, Accelya Kale recorded operating income of ₹ 3,324.05 million.

Operating Profit

Accelya Kale reported profit before exceptional items and tax of ₹ 1,364.13 million for the year ended 30th June, 2017.

Profit after Tax

Accelya Kale recorded a PAT of ₹ 888.63 million for the year ended 30th June, 2017.

Dividend

Accelya Kale recommended a final dividend of ₹ 40 per share amounting to ₹ 718.6 million (including Dividend Tax ₹121.55 million).

IPR Assets and Amortisation

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

breed products by the industry and highly appreciated by the customers.

Details of IPR assets and amortisation are as follows:

Product IPR	₹ Million
Opening Net Block	74.31
Additions	14.55
Deletions (Net)	30.88
Closing Net Block	57.98

RISKS, CONCERNS AND RISK MITIGATION:

Increasing competition

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

Uncertain economic environment

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

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

Regulatory Risk

Proposed legislation in certain countries in which Accelya Kale operates, may restrict airlines in those countries from outsourcing work to the Company, or may limit its ability to send employees to certain client sites. Accelya Kale has employees of different nationalities which helps in mitigating this risk to a certain extent.

Currency Volatility

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

Resource Availability

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

NDC and ONE Order Initiatives

IATA is currently working on NDC and ONE Order initiatives which may have an impact on airline financial processes. The Company is actively participating in NDC and ONE Order forums and working groups to identify opportunities and challenges that may have an impact on our business.

Human Capital

At Accelya we are committed to enable a forward thinking team that is driven to innovate. Our human capital model is built around creating systems and processes that enable us to unlock people and organizational potential, while keeping a focus on continuous improvement by keeping track of important people metrics.

Some of these key metrics imperative to our business are shared below. It is our endeavor to…

Attract qualified talent…

Educational Qualifications

Post Graduates	Engineering /Other Graduates	IATA Certified / Diploma holders	Undergraduates
16%	66%	11%	6%

…With deep experience in our domain & technology…

Total Experience

Less than 2 years	2-5 years	5-10 years	More than 10 years
11%	17%	30%	42%

….and encourage practices of inclusion and diversity to bring forth the best in our people….

Gender Diversity

Men	Women
60%	40%

…while making all efforts to retain the best people and enable them grow in their roles

Attrition

Attrition for FY 16-17: **13.23%**

Voluntary attrition for last 3 years:

Year	ITS	BPO	Others
2015 (July 2014 to June 2015)	15.37%	15.77%	8.95%
2016 (July 2015 to June 2016)	15.81%	20.92%	15.87%
2017 (July 2016 to June 2017)	22.12%	8.41%	12.04%

For the last year, some of the key programs that we were focused on are summarized below:

Creating an integrated collaborative global team

Dovetailing from our acquisition by Warburg Pincus and our integration with Mercator, one of our biggest focus areas this year has been around creating a framework for a fully integrated collaborative global team and new operating models for the combined entity. With the two companies coming together, we are now the undisputed industry leaders for air travel and logistics industry solutions. These changes bring about exciting opportunities for our team and we are working to integrate our teams across different entities and geographies, implementing target operating models and bringing in the benefits of creating a stronger, collaborative, focused global team that can sustain & grow our business.

Designing processes that align our global workforce

While we work to ensure a smooth transition during this integration process, we are also working to create global processes and standardising our ways of operating across the globe. One of the projects currently underway is DRIVE – our global performance management framework. DRIVE is a cohesive system that aligns all our global businesses under a consistent performance management framework that drives business objectives and aligns individual performances to them. It is a holistic approach to personal development career growth and compensation that encourages performance

team work and cross functional collaboration. DRIVE will be effective from fiscal year 2018 and we are working across the globe to train our employees on this refined process and enable the effective implementation across the organisation.

'Great Places to Work' Employee Engagement Program

Another global people initiative we launched this year was 'OurVoice@Accelya', an employee engagement survey. This was our first ever global survey across all our locations and was done in partnership with 'Great Places to Work Institute'. Great Place to Work assessment services are based on their global research of best workplace cultures and programs, providing organizational leaders with objective data, benchmarks, and focused priorities to help them make powerful improvements in their workplace cultures and grow business performance.

The survey commenced on 1st December and closed on 23rd December, 2016. Employees could take the survey online or in the paper-and-pencil format. Kiosks were set up across locations to facilitate the smooth completion of the survey. 86% employees responded to the survey across the organization globally. The trust Index score for Accelya Kale Solutions Limited was 61% which indicates that a majority of our employees find it to be a great place to work.

The results were analysed at an organizational and departmental level. These were shared with the leaders in the organization and identified engagement champions along with HR team created actions plans based on the survey feedback and are working towards making Accelya an even more engaged workplace.

Top Talent Retention & Development

Undoubtedly, our employees are the most important assets for our business. They are our competitive advantage. Thus, we have a specially designed program called 'Accelerate' aimed at identifying high performing high potential employees and offering them focused learning and growth opportunities. It also aims to recognise, provide global visibility and retain them. The program has stringent entry criteria and is designed to offer varied developmental interventions at the regular intervals. The program is one of our flagship development programs and has helped us retain 87% of our critical talent this year.

Independent Auditor's Report

To the Members of
Accelya Kale Solutions Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Accelya Kale Solutions Limited ('the Company'), which comprise the Balance Sheet as at 30 June 2017, 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 (hereinafter referred to as 'the standalone financial statements').

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, read with Companies (Accounting Standards) Amendment Rules, 2016 applicable with effect from 1 April, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 30 June 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid standalone financial statements;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss and the Cash flow statement dealt by this report are in agreement with the relevant books of account;

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and read with Companies (Accounting Standards) Amendment Rules, 2016 applicable with effect from 1 April, 2016;

e) On the basis of written representations received from the directors of the Company as on 30 June 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 30 June 2017, from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 29 to the standalone financial statements;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 39 and 43 to the standalone financial statements;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

(iv) The Company has provided requisite disclosure in the standalone financial statements Note 44 as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8 November 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 9th August, 2017

Annexure A to the Independent Auditor's Report - 30 June 2017

(Referred to in our report of even date)

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.

(c) In our opinion and according to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company is a service company, primarily rendering Information technology services and Information technology enabled services. Accordingly, it does not hold any physical inventories. Accordingly, paragraph 3(ii) of the order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) of the said Order are not applicable to the Company.

(iv) The Company has not granted any loan, investment, guarantee and security to parties covered under Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Service tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. As explained to us, the Company did not have any dues on account of excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Service tax, duty of Customs, Value added tax, Cess and other material statutory dues were in arrears as at 30 June 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, duty of Customs and Value added tax, which have not been deposited with the appropriate authorities on account of any dispute except as follows:

Name of the statute	Nature of the dues	Amount (₹)*	Period to which the amount relates	Forum where dispute is pending
Sales Tax (Appeals)	Disallowance of Software services and maintenance of software	7,120,739	2001-02	Asst. Commissioner
* Net of amount deposited with authorities amounting to ₹ 750,000.				

(viii) The Company does not have any loans or borrowings from any financial institution, banks, Government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 9th August, 2017

Annexure B to the Independent Auditor's Report - 30 June 2017
(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of Accelya Kale Solutions Limited ("the Company") as of 30 June 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 30 June 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 9th August 2017

Balance sheet as at 30 June 2017	Note	30 June 2017 ₹	30 June 2016 ₹
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	**149,268,660**	149,268,660
Reserves and surplus	4	**1,497,535,653**	800,376,089
		1,646,804,313	949,644,749
Non-current liabilities			
Other long-term liabilities	5	**11,936,753**	16,470,452
Long-term provisions	6	**50,149,458**	49,062,697
		62,086,211	65,533,149
Current liabilities			
Trade payables			
- Dues of micro and small enterprises	7	**-**	-
- Dues of creditors other than micro and small enterprises	7	**131,450,374**	89,065,217
Other current liabilities	8	**185,142,045**	80,058,092
Short-term provisions	9	**219,055,198**	758,663,264
		535,647,617	927,786,573
TOTAL		**2,244,538,141**	1,942,964,471
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	10	**237,635,420**	186,715,307
Intangible fixed assets	11	**117,862,699**	163,527,502
Capital work-in-progress	10	**6,425,100**	429,270
Intangible assets under development	11	**-**	125,000
Non-current investments	12	**474,154,544**	474,154,544
Deferred tax assets (net)	13	**43,923,175**	34,414,350
Long-term loans and advances	14	**83,197,072**	94,474,795
Other non-current assets	15	**12,393,820**	11,555,798
		975,591,830	965,396,566
Current assets			
Current investments	16	**380,244,014**	241,338,977
Trade receivables	17	**570,196,374**	363,710,388
Cash and bank balances	18	**48,384,921**	38,428,697
Short-term loans and advances	19	**99,548,027**	77,585,616
Other current assets	20	**170,572,975**	256,504,227
		1,268,946,311	977,567,905
TOTAL		**2,244,538,141**	**1,942,964,471**
Significant accounting policies	2		

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

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 9th August 2017

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

Neela Bhattacherjee
Managing Director
DIN: 01912483

Sekhar Natarajan
Independent Director
DIN: 01031445

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 9th August 2017

Statement of profit and loss for the year ended 30 June 2017	Note	30 June 2017 ₹	30 June 2016 ₹
Revenue			
Sale of software services	*21*	**3,324,046,189**	3,097,152,046
Other income	*22*	**130,225,455**	98,932,388
Total revenue		**3,454,271,644**	3,196,084,434
Expenses			
Employee benefit expenses	*23*	**1,324,247,045**	1,307,149,592
Depreciation and amortization	*24*	**143,420,250**	132,765,957
Other expenses	*25*	**637,023,902**	535,728,037
Less: Product development cost capitalised	*26*	**(14,550,523)**	(12,252,965)
Total expenses		**2,090,140,674**	1,963,390,621
Profit before tax		**1,364,130,970**	1,232,693,813
Less : Provision for tax			
- Current tax		**480,335,337**	428,562,363
- Tax expense for earlier years		**4,674,349**	-
- Deferred tax credit		**(9,508,825)**	(2,779,144)
Profit after tax		**888,630,109**	806,910,594
Earnings per equity share (face value of ₹ 10 each)	*27*		
Basic and diluted		**59.53**	54.06
Significant accounting policies	*2*		

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

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 9th August 2017

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

Neela Bhattacherjee
Managing Director
DIN: 01912483

Sekhar Natarajan
Independent Director
DIN: 01031445

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 9th August 2017

Cash flow statement for the year ended 30 June 2017	30 June 2017 ₹	30 June 2016 ₹
Cash flows from operating activities		
Net profit before tax	**1,364,130,970**	1,232,693,813
Adjustments for:		
Depreciation and amortization	**143,420,250**	132,765,957
(Profit)/ loss on sale of fixed assets	**(733,389)**	366,013
Provision/ (reversal) for doubtful debts	**2,187,295**	(5,715,477)
Credit balances written back	**(12,363,032)**	(29,038,273)
Unrealised foreign exchange loss	**2,219,738**	616,981
Interest on bank deposits	**(286,420)**	(352,042)
Mark to market loss on forward contract	**3,059,490**	770,226
Dividend on mutual fund investments	**(9,806,538)**	(11,301,542)
Dividend income from subsidiary	**(30,177,000)**	(19,500,000)
Operating cash flow before working capital changes	**1,461,651,364**	1,301,305,656
(Increase) in trade receivables	**(207,210,403)**	(47,814,673)
(Increase) in loans and advances	**(29,566,263)**	(34,554,356)
Decrease/ (increase) in unbilled revenue	**86,785,068**	(60,660,120)
Increase in current liabilities and provisions	**94,778,082**	4,658,895
Cash generated from operations	**1,406,437,848**	1,162,935,402
Taxes paid, net of refunds	**(468,313,317)**	(435,963,884)
Net cash provided by operating activities (A)	**938,124,531**	726,971,518
Cash flows from investing activities		
Purchase of fixed assets	**(103,205,771)**	(213,840,208)
Proceeds from sale of fixed assets	**896,708**	958,400
Interest received on bank deposits	**240,834**	339,772
Dividend received from subsidiaries	**30,177,000**	19,500,000
Dividend received on mutual fund investments	**9,806,538**	11,301,542
Purchase of investments in a mutual fund units	**(2,352,405,056)**	(1,985,300,049)
Sale of investments in a mutual fund units	**2,213,500,018**	2,117,000,000
Investment in bank deposits having maturity more than 3 months	**(3,647,443)**	(2,416,980)
Margin money deposits matured	**3,423,069**	2,285,402
Net cash used in investing activities (B)	**(201,214,103)**	(50,172,121)

Cash flow statement (contd.) for the year ended 30 June 2017	30 June 2017 ₹	30 June 2016 ₹
Cash flow from financing activities		
Dividend paid (including tax thereon)	**(727,020,739)**	(689,914,276)
Net cash used by financing activities (C)	**(727,020,739)**	(689,914,276)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**9,889,689**	(13,114,879)
Effect of exchange differences on cash and cash equivalents held in foreign currency	**(144,096)**	(915,406)
Cash and cash equivalents at the beginning of the year	**35,005,628**	49,035,913
Cash and cash equivalents at the end of the year	**44,751,221**	35,005,628
Note to Cash flow statement:		
(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS-3) on Cash Flow Statement.		
(b) Components of cash and cash equivalents		
Balance with banks		
in current accounts	**13,866,070**	10,234,415
in EEFC accounts	**3,422,965**	705,729
Unclaimed dividend*	**27,462,186**	24,065,484
Total cash and cash equivalents	**44,751,221**	35,005,628

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

As per our report of even date attached

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 9th August 2017

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

Neela Bhattacherjee
Managing Director
DIN: 01912483

Sekhar Natarajan
Independent Director
DIN: 01031445

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 9th August 2017

Notes to the financial statements

1. Background

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

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

2. Summary of significant accounting policies

a) Basis of preparation of financial statements

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

b) Use of estimates

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

c) Current and non-current classification

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

Assets

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

(a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

(b) It is held primarily for the purpose of being traded;

(c) It is expected to be realised within 12 months after the reporting date; or

(d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date;

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

All other assets are classified as non current.

Liabilities

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

Notes to the financial statements

(a) It is expected to be settled in the Company's normal operating cycle;

(b) It is held primarily for the purpose of being traded;

(c) It is due to be settled within 12 months after the reporting date; or

(d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

Current liabilities include current portion of non current financial liabilities.

All other liabilities are classified as non current.

Operating cycle

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

d) Revenue recognition

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

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

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

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

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

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

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

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

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

Notes to the financial statements

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

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

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

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

Building	30 years
Plant and machinery and computer equipment	3 to 6 years
Furniture and fixtures, Equipment and other assets	4 to 6 years
Software acquired/ developed	3 to 5 years
Vehicles	5 years
Leasehold improvements	To be amortized over the lesser of the period of lease and the useful life of the asset

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

f) Research and Development cost

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

g) Asset impairment

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

h) Investments

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

Long term investments are carried at cost. Provision for diminution, is made to recognize a decline, other than temporary, in the value of long term investments and is determined separately for each individual investment. The fair value of a long-term investment is ascertained with reference to its market value, the

Notes to the financial statements

investee's assets and results and the expected cash flows from the investment. Current investments are carried at lower of cost and market value of each investment individually.

i) Leases

Operating lease

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

Finance Lease

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

j) Foreign currency transactions

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

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

Translation of foreign operations

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

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

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

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

Derivative instruments

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

k) Employee benefits

Defined Contribution Plan

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

Notes to the financial statements

Defined Benefit Plan

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

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

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

I) Income taxes

Income-tax expense comprises current tax and deferred tax charge or credit.

Current taxes

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

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

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

Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result from differences between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted as at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Deferred tax assets on timing differences are recognized only if there is a reasonable

Notes to the financial statements

certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and carried forward losses exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

m) Earnings per share ('EPS')

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

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

n) Provisions and contingent liabilities

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

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

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

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

o) Onerous contracts

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

Notes to the financial statements		30 June 2017 ₹	30 June 2016 ₹
3	**SHARE CAPITAL**		
	Authorised		
	20,200,000 (30 June 2016: 20,200,000) equity shares of ₹10 each	**202,000,000**	202,000,000
	Issued, subscribed and paid-up		
	14,926,261 (30 June 2016: 14,926,261) equity shares of ₹10 each fully paid up	**149,262,610**	149,262,610
	Forfeited shares	**6,050**	6,050
	Total issued, subscribed and paid-up	**149,268,660**	149,268,660

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

Equity shares

	30 June 2017		30 June 2016	
	Number of shares	**₹**	Number of shares	₹
At the beginning and end of the year	**14,926,261**	**149,262,610**	14,926,261	149,262,610

b. Rights, preference and restriction attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting right of an equity shareholder on a poll (not on show of hands) is in proportion to its share of the paid-up equity capital of the Company. Voting right cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. During the year the Company has declared interim dividend of ₹ 11 per equity share of ₹10 each. For the year ended June 30, 2017, the Board of Directors have recommended a final dividend of ₹ 40 per equity share of ₹10 each. This is subject to approval of shareholders.
Failure to pay any amount called up on shares may lead to forfeiture of the shares.
On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c. Shares held by holding Company

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

	30 June 2017 ₹	30 June 2016 ₹
Accelya Holding World S.L.U.		
11,143,295 (30 June 2016 : 11,143,295) equity shares of ₹10 each fully paid	**111,432,950**	111,432,950

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

	30 June 2017		30 June 2016	
	Number of shares	**% of total shares in the class**	Number of shares	% of total shares in the class
Equity shares of ₹10 each fully paid				
Accelya Holding World S.L.U.	**11,143,295**	**74.66**	11,143,295	74.66

Notes to the financial statements

3 SHARE CAPITAL *(continued)*

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

During the five year period ended 30 June 2017

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

4 RESERVES AND SURPLUS

	30 June 2017 ₹	30 June 2016 ₹
Capital redemption reserve		
At the commencement and end of the year	**9,538,260**	9,538,260
Securities premium account		
At the commencement and end of the year	**316,984,098**	316,984,098
General reserve		
At the commencement and end of the year	**239,151,558**	239,151,558
Balance in the Statement of profit and loss		
At the commencement of the year	**234,702,173**	230,648,751
Add: Net profit for the year	**888,630,109**	806,910,594
Less: Appropriations		
Interim dividend (current year amount per share ₹ 11, previous year amount per share ₹ 15)	**164,188,871**	223,893,915
Dividend distribution tax on interim dividend	**33,425,000**	44,096,700
Dividend distribution tax credit	**(6,143,326)**	(4,080,339)
Final equity dividend (previous year amount per share ₹ 30)	**-**	447,787,830
Dividend distribution tax on final dividend	**-**	91,159,066
Total appropriations	**191,470,545**	802,857,172
Balance at the end of the year	**931,861,737**	234,702,173
Total reserve and surplus	**1,497,535,653**	800,376,089

5 OTHER LONG-TERM LIABILITIES

	Non-current portion		**Current portion (Refer to note 8)**	
	30 June 2017	30 June 2016	**30 June 2017**	30 June 2016
	₹	₹	₹	₹
Deposit received	**1,528,797**	1,725,561	**-**	-
Deferred rent liability	**10,407,956**	14,744,891	**3,935,516**	-
	11,936,753	16,470,452	**3,935,516**	-

Notes to the financial statements

6 LONG-TERM PROVISIONS

	Non-current portion		Current portion (Refer to note 9)	
	30 June 2017	30 June 2016	**30 June 2017**	30 June 2016
	₹	₹	₹	₹
Provision for employee benefits			**-**	-
- Compensated absences (refer to note 33)	**50,149,458**	49,062,697	**14,441,413**	15,703,612
	50,149,458	49,062,697	**14,441,413**	15,703,612

7 TRADE PAYABLES

	30 June 2017 ₹	30 June 2016 ₹
Trade payables		
- Total outstanding dues of micro and small enterprises (refer to note 37)	**-**	-
- Total outstanding dues of creditors other than micro and small enterprises	**131,450,374**	89,065,217
	131,450,374	89,065,217

8 OTHER CURRENT LIABILITIES

	30 June 2017 ₹	30 June 2016 ₹
Income received in advance	**63,144,813**	23,263,941
Creditors for capital goods	**67,802,791**	16,298,853
Unclaimed dividends	**27,462,186**	24,065,484
Provident fund contribution payable	**5,930,057**	5,409,544
Profession tax payable	**255,350**	253,675
Tax deducted at source payable	**14,584,763**	10,423,261
Value added tax payable	**577,047**	3,996
Local body tax payable	**1,078,424**	235,439
Deferred rent liability (refer to note 5)	**3,935,516**	-
Payable to employee state insurance corporation	**371,098**	103,899
	185,142,045	80,058,092

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

Notes to the financial statements

9 SHORT-TERM PROVISIONS

	30 June 2017 ₹	30 June 2016 ₹
Provision for employee benefits		
- Compensated absences (refer to note 6 and 33)	**14,441,413**	15,703,612
- Gratuity (refer to note 33)	**15,838,835**	13,510,382
Proposed dividend	**-**	447,787,830
Tax on proposed dividend	**-**	91,159,066
Provision for salaries and incentives	**110,543,963**	119,363,699
Provision for litigation	**1,000,000**	1,000,000
Provision for mark to market loss on forward contracts	**4,603,130**	1,543,640
Provision for income tax (net of advance tax ₹ 1,241,064,513, 30 June 2016: ₹ 762,871,033)	**72,627,857**	68,595,035
	219,055,198	758,663,264
Movement in provision for litigation		
Balance as at the commencement and end of the year	**1,000,000**	1,000,000

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

10 TANGIBLE FIXED ASSETS

	Building	Plant and machinery and computer equipment	Furniture and fixtures	Vehicles	Leasehold improve-ments	Total
	₹	₹	₹	₹	₹	₹
Gross block (at cost)						
As at 1 July 2015	63,259,128	406,116,239	52,630,243	15,094,242	21,659,953	558,759,805
Additions during the year	-	88,484,168	6,274,476	2,646,181	-	97,404,825
Deletions/ disposals	-	8,454,490	512,482	7,377,990	-	16,344,962
As at 30 June 2016	63,259,128	486,145,917	58,392,237	10,362,433	21,659,953	639,819,668
Additions during the year	-	119,747,239	6,078,441	-	2,763,814	128,589,494
Deletions/ disposals	-	49,027,153	561,920	852,912	-	50,441,985
As at 30 June 2017	**63,259,128**	**556,866,003**	**63,908,758**	**9,509,521**	**24,423,767**	**717,967,177**

Notes to the financial statements

	Building	Plant and machinery and computer equipment	Furniture and fixtures	Vehicles	Leasehold improve-ments	Total
	₹	₹	₹	₹	₹	₹
Accumulated depreciation						
As at 1 July 2015	34,613,822	281,900,242	40,590,959	13,291,854	14,834,763	385,231,640
Charge for the year	2,108,638	70,292,675	5,153,880	774,342	4,563,735	82,893,270
Deletions/ disposals	-	8,463,229	512,482	6,044,838	-	15,020,549
As at 30 June 2016	36,722,460	343,729,688	45,232,357	8,021,358	19,398,498	453,104,361
Charge for the year	2,108,638	67,136,773	5,202,015	529,236	2,529,400	77,506,062
Deletions/ disposals	-	48,888,727	537,027	852,912	-	50,278,666
As at 30 June 2017	**38,831,098**	**361,977,734**	**49,897,345**	**7,697,682**	**21,927,898**	**480,331,757**
Net block						
As at 30 June 2016	26,536,668	142,416,229	13,159,880	2,341,075	2,261,455	186,715,307
As at 30 June 2017	**24,428,030**	**194,888,269**	**14,011,413**	**1,811,839**	**2,495,869**	**237,635,420**

	Capital work in progress
As at 1 July 2015	181,760
Additions	429,270
Assets capitalisation during the year	181,760
As at 30 June 2016	429,270
Additions	6,425,100
Assets capitalisation during the year	429,270
As at 30 June 2017	**6,425,100**

11 INTANGIBLE FIXED ASSETS

	Internally developed software	Acquired software	Total
	₹	₹	₹
Gross block (at cost)			
As at 1 July 2015	357,540,026	249,841,416	607,381,442
Purchase/ internal development	12,345,946	84,039,451	96,385,397
Deletions/ disposals	-	-	-
As at 30 June 2016	369,885,972	333,880,867	703,766,839
Purchase/ internal development	14,550,523	5,698,862	20,249,385
Deletions/ disposals	-	7,924,086	7,924,086
As at 30 June 2017	**384,436,495**	**331,655,643**	**716,092,138**

Notes to the financial statements

	Internally developed software	Acquired software	Total
	₹	₹	₹
Accumulated amortisation			
As at 1 July 2015	264,655,299	225,711,351	490,366,650
Charge for the year	30,915,790	18,956,897	49,872,687
Deletions/ disposals	-	-	-
As at 30 June 2016	295,571,089	244,668,248	540,239,337
Charge for the year	30,881,128	35,033,060	65,914,188
Deletions/ disposals	-	7,924,086	7,924,086
As at 30 June 2017	**326,452,217**	**271,777,222**	**598,229,439**
Net block			
As at 30 June 2016	74,314,883	89,212,619	163,527,502
As at 30 June 2017	**57,984,278**	**59,878,421**	**117,862,699**

	Intangible assets under development
As at 1 July 2015	217,957
Additions	12,252,989
Assets capitalisation during the year	12,345,946
As at 30 June 2016	125,000
Additions/ deletion	14,425,523
Assets capitalisation during the year	14,550,523
As at 30 June 2017	-

12 NON-CURRENT INVESTMENTS

	30 June 2017 ₹	30 June 2016 ₹
Trade investments (unquoted at cost, unless otherwise stated)		
Investment in equity instruments of subsidiaries		
1,300,000 (30 June 2016: 1,300,000) Class A voting common stock of Kale Softech Inc. of USD 0.01 each fully paid up	57,979,585	57,979,585
1,11,000 (30 June 2016: 1,11,000) ordinary shares of Zero Octa UK Ltd of GBP 0.01 each fully paid up	416,114,959	416,114,959
Investments in Shares of Co-operative Banks		
Rupee Co-operative Bank Limited		
5,000 equity shares of ₹10 each fully paid up (30 June 2016: 5,000 equity shares of ₹10 each fully paid up)	50,000	50,000

Notes to the financial statements

	30 June 2017 ₹	30 June 2016 ₹
Saraswat Co-operative Bank Limited		
1,000 equity shares of ₹10 each fully paid up (30 June 2016: 1,000 equity shares of ₹10 each fully paid up)	10,000	10,000
	474,154,544	474,154,544

13 DEFERRED TAX ASSETS (NET)

	30 June 2017 ₹	30 June 2016 ₹
Deferred tax assets:		
Provision for compensated absences	**22,353,608**	22,566,114
Provision for doubtful debts	**2,823,287**	2,325,868
Future tax deductible expenses	**29,124,246**	10,581,376
	54,301,141	35,473,358
Deferred tax liabilities:		
Difference between tax and book value of fixed assets	**(10,377,966)**	(1,059,008)
	(10,377,966)	(1,059,008)
Deferred tax assets (net)	**43,923,175**	34,414,350

14 LONG-TERM LOANS AND ADVANCES

	Non-current portion		Current portion (Refer to note 19)	
	30 June 2017 ₹	30 June 2016 ₹	30 June 2017 ₹	30 June 2016 ₹
Unsecured, considered good			-	-
Advance recoverable in cash or in kind	**1,217,000**	1,217,000	**40,382,283**	39,698,151
Advance income-tax (net of provision for tax of ₹ 428,858,473, 30 June 2016: ₹ 707,746,278)	**7,603,913**	20,267,460	-	-
Prepaid expenses	**1,263,585**	2,328,378	**40,340,429**	34,718,649
Lease and other deposits	**54,931,988**	52,786,646	-	56,000
Service tax refund receivable	**18,180,586**	17,875,311	**18,825,315**	3,112,816
	83,197,072	94,474,795	**99,548,027**	77,585,616

Notes to the financial statements

15 Other non-current assets

	30 June 2017 ₹	30 June 2016 ₹
Margin money deposit	**630,866**	617,123
Discount in advance	**11,591,569**	10,741,968
Interest accrued on bank deposits	**171,385**	196,707
	12,393,820	11,555,798

Margin money deposits

Margin money deposit represent deposit with banks for issue of bank guarantees given to various authorities amounting to ₹ 630,866 (30 June 2016: ₹ 617,123) which are due to mature after twelve months of the reporting date.

Discount in advance

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

16 CURRENT INVESTMENTS

(At lower of cost and fair value)

	30 June 2017 ₹	30 June 2016 ₹
Investments in Mutual Fund		
Non Trade (unquoted)		
HDFC		
77,235.819 Liquid Fund Div Reinvest of ₹ 1019.82 (30 June 2016: 87,426.547 Liquid Fund Div Reinvest of ₹ 1019.82) (net asset value of unquoted investment)	**78,766,633**	89,159,341
ICICI Prudential		
625,825.963 Liquid Fund Div Reinvest of ₹ 100.0989 (30 June 2016: 525,691.147 Liquid Fund Div Reinvest of ₹ 100.0989) (net asset value of unquoted investment)	**62,644,490**	52,621,106
Birla Sun Life		
1,223,809.486 Liquid fund Div reinvest of ₹ 100.195 (30 June 2016: 993,647.686 Liquid fund Div reinvest of ₹ 100.1950) (net asset value of unquoted investment)	**122,619,591**	99,558,530
SBI Premier		
115,836.830 Liquid fund Div reinvest of ₹ 1003.25 (30 June 2016: Nil) (net asset value of unquoted investment)	**116,213,300**	-
	380,244,014	241,338,977
Aggregate amount of unquoted investments	**380,244,014**	241,338,977

Notes to the financial statements

17 TRADE RECEIVABLES

		30 June 2017 ₹	30 June 2016 ₹
Unsecured			
Receivables for a period exceeding six months from the date they are due for payment			
Considered good		**13,962,005**	4,335,540
Considered doubtful		**8,158,011**	5,970,716
Less: Provision for doubtful receivable		**(8,158,011)**	(5,970,716)
	(A)	**13,962,005**	4,335,540
Other receivables			
Considered good		**556,234,369**	359,374,848
Considered doubtful		**-**	-
Less: Provision for doubtful receivable		**-**	-
	(B)	**556,234,369**	359,374,848
	(A+B)	**570,196,374**	363,710,388
Trade receivables include:			
Due from subsidiaries and group companies in which director and member are interested (Refer to note 35)		**143,365,014**	75,221,569

18 CASH AND BANK BALANCES

	30 June 2017 ₹	30 June 2016 ₹
Cash and cash equivalents		
Balances with banks		
In current accounts	**13,866,070**	10,234,415
In EEFC accounts	**3,422,965**	705,729
Other bank balances		
Margin money deposits	**3,633,700**	3,423,069
Unclaimed dividend *	**27,462,186**	24,065,484
	48,384,921	38,428,697

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

Margin money deposits

Margin money deposit represents deposit with banks for issue of bank guarantees to various authorities amounting to ₹ 3,633,700 (30 June 2016: ₹ 3,423,069) which are due to mature within twelve months of the reporting date.

Due after 12 months (refer note 15)	**630,866**	617,123

Notes to the financial statements

19 SHORT-TERM LOANS AND ADVANCES

	30 June 2017 ₹	30 June 2016 ₹
Unsecured, considered good unless otherwise stated		
Advances recoverable in cash or kind (refer to note 14)	**40,382,283**	39,698,151
Service tax refund receivable (refer to note 14)	**18,825,315**	3,112,816
Prepaid expenses (refer to note 14)	**40,340,429**	34,718,649
Deposits (refer to note 14)	**-**	56,000
	99,548,027	77,585,616

20 OTHER CURRENT ASSETS

	30 June 2017 ₹	30 June 2016 ₹
Interest accrued on bank deposits	**188,507**	117,599
Discount in advance	**2,727,484**	1,944,576
Unbilled revenue (refer to note 35 and 38)	**167,656,984**	254,442,052
	170,572,975	256,504,227

Discount in advance

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

Unbilled revenue include:

Revenue from subsidiaries and group companies in which director and member are interested (Refer to note 35)	**83,291,673**	**117,572,598**

21 SALE OF SOFTWARE SERVICES

	30 June 2017 ₹	30 June 2016 ₹
Sale of services	**3,323,292,655**	3,095,471,053
Other operating revenue		
Reimbursements from clients	**753,534**	1,680,993
	3,324,046,189	3,097,152,046

Notes to the financial statements

22 OTHER INCOME

	30 June 2017 ₹	30 June 2016 ₹
Interest on bank deposits	**286,420**	352,042
Interest on income tax refunds	**795,791**	-
Foreign exchange gain (net)	**66,253,014**	35,316,231
Credit balances written back	**12,363,032**	29,038,273
Dividend from subsidiary	**30,177,000**	19,500,000
Dividend from mutual funds	**9,806,538**	11,301,542
Profit on sale of fixed assets, net	**733,389**	-
Miscellaneous income	**9,810,271**	3,424,300
	130,225,455	98,932,388

23 EMPLOYEE BENEFITS EXPENSES

	30 June 2017 ₹	30 June 2016 ₹
Salaries and incentives	**1,230,101,657**	1,214,840,479
Contribution to provident fund and other funds	**39,247,635**	37,161,808
Staff welfare expenses	**40,448,498**	41,145,923
Gratuity (refer to note 33)	**14,449,255**	14,001,382
	1,324,247,045	1,307,149,592

24 DEPRECIATION AND AMORTIZATION

	30 June 2017 ₹	30 June 2016 ₹
Depreciation on tangible fixed assets	**77,506,061**	82,893,270
Amortization on intangible fixed assets	**65,914,189**	49,872,687
	143,420,250	132,765,957

Notes to the financial statements

25 OTHER EXPENSES

	30 June 2017 ₹	30 June 2016 ₹
Advertisement and sales promotion	**32,187,869**	28,435,468
Auditor's remuneration (refer below)	**6,683,962**	5,723,806
Bank charges	**3,892,849**	6,010,776
Commission and brokerage	**13,220,797**	5,910,806
Communication charges	**22,231,901**	18,963,036
Connectivity charges	**26,611,629**	14,872,311
Data processing charges	**20,607,743**	11,890,921
Director's commission	**500,000**	500,000
Director's sitting and committee fees	**2,287,625**	2,205,250
Contribution to corporate social responsibility (refer to note 43)	**25,090,000**	23,800,000
Insurance	**3,377,755**	3,837,509
Legal and professional fees	**15,897,473**	21,293,825
Management fees	**28,574,818**	29,274,264
Membership and subscription	**7,368,928**	7,751,912
Power, fuel and water charges	**31,868,267**	31,154,987
Printing and stationery	**2,198,858**	1,942,219
Provision/ (reversal) for doubtful debts	**2,187,295**	(5,715,477)
Bad debt written off	**1,191,498**	5,746,113
Rates and taxes	**3,048,971**	2,113,289
Loss on sale of fixed assets, net	**-**	366,013
Recruitment expenses	**6,455,788**	2,138,463
Rent (refer to note 36)	**73,869,810**	74,091,768
Repair and maintenance :		
-Machinery	**6,188,069**	4,567,767
-Others	**18,325,444**	18,326,194
Software and maintenance	**77,551,991**	55,536,217
Technical consultants charges	**125,036,171**	69,488,399
Travelling and conveyance	**54,053,725**	67,206,911
Miscellaneous expenses	**26,514,666**	28,295,290
	637,023,902	535,728,037
Auditor's remuneration		
Statutory audit fees	**5,616,158**	5,200,000
Other services (tax audit, certification and others)	**776,717**	200,000
Reimbursement of expenses	**291,087**	323,806
	6,683,962	5,723,806

Notes to the financial statements

26 PRODUCT DEVELOPMENT COST CAPITALIZED

	30 June 2017 ₹	30 June 2016 ₹
Payroll cost	**14,226,063**	12,249,115
Technical consultants charges	**321,356**	-
Other direct cost	**3,104**	3,850
	14,550,523	12,252,965

27 EARNINGS PER EQUITY SHARE (EPS)

	30 June 2017 ₹	30 June 2016 ₹
Number of shares (face value ₹10 each)	**14,926,261**	14,926,261
Profit after tax	**888,630,109**	806,910,594
Weighted average number of shares considered for basic EPS	**14,926,261**	14,926,261
Weighted average number of shares considered for diluted EPS	**14,926,261**	14,926,261
Basic and diluted EPS:		
Basic earnings per share	**59.53**	54.06
Diluted earnings per share	**59.53**	54.06

28 CAPITAL AND OTHER COMMITMENTS

	30 June 2017 ₹	30 June 2016 ₹
Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	**11,663,414**	21,498,082

29 CONTINGENT LIABILITIES

	30 June 2017 ₹	30 June 2016 ₹
Claims against the Company pertaining to Sales tax with Assistant Commissioner of Sales Tax, (Appeals) - For F.Y. 2001-02 (disallowance of Software services and maintenance of software)	**7,870,739**	7,870,739
Contingent liability on account of rejection of refund of cenvat credit by Service Tax Department for which an appeal has been filed. Claim against Company not acknowledge as debt.	**18,180,586**	17,875,311
The Company has reviewed all its pending litigation and proceedings and has adequately provided where provision are required. The Company has disclosed contingent liabilities wherever applicable. The resolution of these legal proceedings is not likely to have a material and adverse effect on the results of operations or the financial position of the Company.		

Notes to the financial statements

30 EARNINGS IN FOREIGN CURRENCY

	30 June 2017 ₹	30 June 2016 ₹
Sale of software and services	**2,996,536,980**	2,767,611,464
Dividend income	**30,177,000**	19,500,000
Reimbursements from clients	**753,534**	1,680,993

31 EXPENDITURE IN FOREIGN CURRENCY

	30 June 2017 ₹	30 June 2016 ₹
Legal, technical and professional fees	**74,235,951**	30,194,242
Sale commission	**13,220,797**	5,888,806
Membership, subscription, software and maintenance	**27,237,895**	23,124,889
Salaries and incentives	**19,322,169**	37,315,246
Travelling and conveyance	**26,225,455**	26,269,844
Management fees	**28,574,818**	29,274,264
Other expenses	**49,431,532**	39,496,797

32 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

	30 June 2017 ₹	30 June 2016 ₹
Year of remittance (ending on)		
Period to which the dividend relates	**2015-16**	2014-15
	(Final dividend)	(Final dividend)
Numbers of non-resident shareholders	**17**	18
Numbers of equity shares held on which dividend was due	**11,165,711**	11,183,244
Amount remitted	**334,971,330**	279,581,100
Period to which the dividend relates	**2016-17** (Interim dividend)	2015-16 (Interim dividend)
Numbers of non-resident shareholders	**17**	18
Numbers of equity shares held on which dividend was due	**11,165,711**	11,183,244
Amount remitted	**122,822,821**	167,748,660

Notes to the financial statements

33 RETIREMENT BENEFITS TO EMPLOYEES

Gratuity

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

	30 June 2017	30 June 2016
	₹	₹
Changes in present value of obligations		
a) Liability recognised in the balance sheet		
i) Present value of obligation		
Opening balance	**64,779,645**	56,225,476
Current service cost	**9,710,450**	10,400,936
Interest cost	**4,984,490**	4,183,926
Actuarial loss on obligations	**4,533,989**	3,113,442
Benefits paid	**(4,872,856)**	(9,144,135)
Closing balance (i)	**79,135,718**	64,779,645
ii) Fair value of plan assets		
Opening balance	**51,269,263**	43,444,407
Expected return on plan assets	**4,098,624**	3,868,212
Employer's contributions	**12,120,802**	13,272,069
Actuarial gain/ (loss) on plan assets	**681,050**	(171,290)
Benefits paid	**(4,872,856)**	(9,144,135)
Closing balance (ii)	**63,296,883**	51,269,263
Net liability recognised in the balance sheet (i-ii)	**15,838,835**	13,510,382
b) Expenses recognised in statement of profit and loss		
Current service cost	**9,710,450**	10,400,936
Interest cost	**4,984,490**	4,183,926
Expected return on plan assets	**(4,098,624)**	(3,868,212)
Net actuarial loss recognised during the period	**3,852,939**	3,284,732
Expenses recognised in statement of profit and loss	**14,449,255**	14,001,382
c) Break up of Plan assets		
LIC of India - Insurer Managed Fund	**100.00%**	100.00%
d) Principal actuarial assumptions		
Discount rate	**6.85%**	7.70%
Expected return on plan assets	**8.00%**	8.50%
Rate of increase in basic salary	**5.00%**	5.00%
Attrition rate	**13.00%**	13.00%
Mortality	**Indian Assured Lives Mortality (2006-08) ultimate**	Indian Assured Lives Mortality (2006-08) ultimate
Normal retirement age	**58 years**	58 years

Notes to the financial statements

Experience adjustment	Year ended 30 June 2017 ₹	Year ended 30 June 2016 ₹	Year ended 30 June 2015 ₹	Year ended 30 June 2014 ₹	Year ended 30 June 2013 ₹
Present value of obligation	**79,135,718**	64,779,645	56,225,476	45,607,120	42,625,324
Plan assets	**63,296,883**	51,269,263	43,444,407	38,139,760	38,032,777
Surplus (deficit)	**(15,838,835)**	(13,510,382)	(12,781,069)	(7,467,360)	(4,592,547)
Experience adjustments on plan liabilities (loss)/ gain	**729,719**	1,704,152	(121,529)	1,027,170	2,127,217
Experience adjustments on plan assets (loss)/ gain	**(681,050)**	(56,252)	(391,576)	(281,638)	780,327

The Company estimates that the balance amount to be contributed to the gratuity fund during the financial year 2017-18 will be ₹15,838,835.

Compensated absences

The liability towards compensated absences (annual leave) for the year ended 30 June 2017, based on actuarial valuation carried out using projected unit benefit method resulted in decrease in liability by ₹ 175,438 (30 June 2016: Increase in liability by ₹ 613,705)

	Year ended 30 June 2017 ₹	Year ended 30 June 2016 ₹
Principal actuarial assumptions		
Discount rate	**6.85%**	7.70%
Rate of increase in salary cost to company	**10.00%**	10.00%
Attrition rate	**13.00%**	13.00%
Mortality	**Indian Assured Lives Mortality (2006-08) ultimate**	Indian Assured Lives Mortality (2006-08) ultimate
Normal retirement age	**58 years**	58 years

Provident Fund

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to ₹ 33,054,540 (2016: ₹ 32,322,871).

34 SEGMENTAL REPORTING

In accordance with paragraph 4 of Accounting Standard 17 “Segment Reporting” prescribed in the Companies (Accounting Standards) Rules, 2006, issued by the Central Government, the Company has presented segmental information only on the basis of the consolidated financial statements (refer note 32 of consolidated financial statements).

Notes to the financial statements

35 RELATED PARTY TRANSACTIONS

(A) Related party disclosures

Related parties where control exists	Name	Holdings in %
Holding company	Accelya Holding World S.L.U.	
Fellow Subsidiary	Accelya World S.L.U. Accelya UK Limited Accelya France SAS Accelya America, S.A. de C.V. Accelya Portugal Unipessoal Ltda.	
Subsidiaries	Kale Softech Inc Zero Octa UK Limited	100% 100%
Key management personnel	John Johnston * - Chairman (w.e.f. 6 October, 2016) Vipul Jain - Managing Director (till 30 September 2015) Neela Bhattacherjee - Managing Director (w.e.f. 1 October 2015) Gurudas Shenoy - Chief Financial Officer Ninad Umranikar - Company Secretary	
Other related party	Catalysts for Social Action	

Note: * Mr. Philippe Lesueur resigned as Director and Chairman with effect from 5th October, 2016.
Mr. John Johnston was appointed as Chairman with effect from 6th October, 2016.

(B) Transactions with related parties

Nature of transactions	Year ended	Holding	Fellow Subsidiary	Subsidiaries	Other related party	Key management personnel	Total
Services rendered by the Company	30 June 2017	12,183,960	338,142,404	853,144,462	-	-	1,203,470,826
	30 June 2016	31,943,468	230,730,927	844,025,350	-	-	1,106,699,745
Services received by the Company	30 June 2017	28,501,182	33,176,379	9,470,248	-	-	71,147,809
	30 June 2016	29,165,795	8,723,483	1,190,692	-	-	39,079,970
Claims raised for expenses	30 June 2017	12,675,863	19,908,913	6,024,168	-	-	38,608,944
	30 June 2016	5,504,423	26,609,661	24,320,759	-	-	56,434,843
Claims received for expenses	30 June 2017	6,608,370	1,383,179	34,525,433	-	-	42,516,982
	30 June 2016	16,236,207	2,400,746	33,738,712	-	-	52,375,665
Remuneration	30 June 2017	-	-	-	-	24,027,875	24,027,875
	30 June 2016	-	-	-	-	36,755,822	36,755,822
Dividend received	30 June 2017	-	-	30,177,000	-	-	30,177,000
	30 June 2016	-	-	19,500,000	-	-	19,500,000
Dividend paid	30 June 2017	456,875,095	-	-	-	362,809	457,237,904
	30 June 2016	445,731,800	-	-	-	301,735	446,033,535
Contribution to Corporate Social Responsibility	30 June 2017	-	-	-	25,090,000	-	25,090,000
	30 June 2016	-	-	-	23,800,000	-	23,800,000
Balances outstanding	As at:						
Payable	30 June 2017	6,755,278	20,404,436	8,145,112	-	-	35,304,826
	30 June 2016	16,957,041	3,907,663	5,198,449	-	-	26,063,153
Trade receivables	30 June 2017	6,169,713	49,526,421	87,668,880	-	-	143,365,014
	30 June 2016	2,307,941	27,324,763	45,588,865	-	-	75,221,569
Unbilled revenue	30 June 2017	1,346,134	40,746,000	41,199,539	-	-	83,291,673
	30 June 2016	2,816,970	19,316,282	95,439,346	-	-	117,572,598
Investment in subsidiary	30 June 2017	-	-	474,094,544	-	-	474,094,544
	30 June 2016	-	-	474,094,544	-	-	474,094,544

Notes to the financial statements

(C) Of the above items, transactions in excess 10% of the total related party transactions are as under:

Nature of transaction	Year ended 30 June 2017 ₹	Year ended 30 June 2016 ₹
Services rendered by the Company		
Kale Softech Inc	**720,546,439**	735,884,197
Zero Octa UK Limited	**132,598,023**	108,141,153
Accelya World S.L.U.	**196,043,883**	159,822,852
Accelya Holding World S.L.U.	**12,183,960**	31,943,468
Accelya France SAS	**50,465,652**	22,110,617
Accelya UK Ltd	**71,753,018**	46,255,202
Accelya America, S.A. de C.V.	**4,782,772**	2,542,256
Accelya Portugal Unipessoal Ltda.	**15,097,079**	-
Services received by the Company		
Kale Softech Inc	**9,470,248**	1,190,692
Accelya World S.L.U.	**18,028,566**	8,190,828
Accelya Holding World S.L.U.	**28,501,182**	29,165,795
Accelya UK Ltd	**15,147,813**	532,655
Claims raised for expenses		
Kale Softech Inc	**4,140,128**	9,783,120
Zero Octa UK Limited	**1,884,040**	14,537,639
Accelya World S.L.U.	**7,866,313**	20,035,690
Accelya Holding World S.L.U.	**12,675,863**	5,504,423
Accelya France SAS	**2,542,531**	5,424,812
Accelya UK Ltd	**9,392,243**	602,442
Accelya America, S.A. de C.V.	**-**	546,717
Accelya Portugal Unipessoal Ltda.	**107,826**	-
Claims received for expenses		
Kale Softech Inc	**30,132,676**	33,695,277
Zero Octa UK Limited	**4,392,757**	43,435
Accelya World S.L.U.	**1,127,097**	-
Accelya Holding World S.L.U.	**6,608,370**	16,236,207
Accelya UK Ltd	**256,082**	2,400,746
Dividend received		
Kale Softech Inc	**30,177,000**	19,500,000
Dividend paid		
Accelya Holding World S.L.U.	**456,875,095**	445,731,800
Gurudas Shenoy	**88,765**	86,600
Neela Bhattacherjee	**85,649**	31,335
Ninad Umranikar	**188,395**	183,800

Notes to the financial statements

Nature of transaction	Year ended 30 June 2017 ₹	Year ended 30 June 2016 ₹
Remuneration		
Vipul Jain	**-**	17,309,396
Neela Bhattacherjee	**13,408,596**	10,099,506
Gurudas Shenoy	**7,184,979**	6,296,956
Ninad Umranikar	**3,434,300**	3,049,964
Contribution to Corporate Social Responsibility		
Catalysts for Social Action	**25,090,000**	23,800,000
Payable		
Kale Softech Inc	**3,752,355**	5,198,449
Zero Octa UK Limited	**4,392,757**	-
Accelya Holding World S.L.U.	**6,755,278**	16,957,041
Accelya World S.L.U.	**13,950,065**	1,934,953
Accelya UK Ltd	**6,454,372**	1,972,710
Trade receivables		
Kale Softech Inc	**75,505,653**	37,634,725
Zero Octa UK Limited	**12,163,227**	7,954,140
Accelya Holding World S.L.U.	**6,169,713**	2,307,941
Accelya World S.L.U.	**35,037,586**	18,920,089
Accelya UK Ltd	**9,706,468**	3,111,684
Accelya France SAS	**3,158,219**	5,080,711
Accelya America, S.A. de C.V.	**375,597**	212,279
Accelya Portugal Unipessoal Ltda.	**1,248,550**	-
Unbilled revenue		
Kale Softech Inc	**28,957,270**	87,652,605
Zero Octa UK Limited	**12,242,269**	7,786,741
Accelya Holding World S.L.U.	**1,346,134**	2,816,970
Accelya World S.L.U.	**7,616,124**	10,707,296
Accelya UK Ltd	**22,341,757**	3,898,613
Accelya France SAS	**9,132,474**	4,584,516
Accelya America, S.A. de C.V.	**387,157**	125,857
Accelya Portugal Unipessoal Ltda.	**1,268,488**	-
Investment in subsidiary		
Kale Softech Inc	**57,979,585**	57,979,585
Zero Octa UK Limited	**416,114,959**	416,114,959

Notes to the financial statements

36 LEASES

Operating lease

The lease rental (including hire charges) for office premises, guest house and godown charged to statement of profit and loss aggregates to ₹ 73,869,810 (30 June 2016: ₹ 74,091,768).

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

Due	As at 30 June 2017 ₹	As at 30 June 2016 ₹
Not later than one year	**72,047,673**	70,602,127
Later than one year and not later than five years	**104,469,779**	173,414,167

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

Based on information and records available, the Company has no dues to micro and small enterprises during the years ended 30 June 2017 and 30 June 2016 and as at 30 June 2017 and 30 June 2016

Particulars	As at 30 June 2017 ₹	As at 30 June 2016 ₹
Principal amount and the interest due thereon remaining unpaid to any supplier as at the year end	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible		

38 Unbilled revenue include revenue based on percentage of completion basis ₹ 58,215,919 (previous year ₹ 53,361,664)

39 DERIVATIVE INSTRUMENT

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

I. Outstanding derivative instruments

Category	Currency Hedge	30 June 2017		30 June 2016	
		Foreign currency	₹	Foreign currency	₹
Forward exchange contract (to hedge highly probable exports)	USD	**21,000,000**	**1,356,075,000**	20,200,000	1,363,904,000
	EUR	**4,200,000**	**309,135,960**	4,400,000	330,656,040
	GBP	**1,575,000**	**131,992,875**	1,650,000	149,854,980

Notes to the financial statements

II. Unhedged Foreign Currency exposures

Foreign currency	30 June 2017		30 June 2016	
	Foreign currency	₹	Foreign currency	₹
Payable - USD	**373,671**	**24,129,789**	305,772	20,645,759
Payable - GBP	**77,017**	**6,454,372**	28,975	2,631,489
Payable - EURO	**131,970**	**9,713,525**	310,378	23,324,893
Payable - NZD	**10,980**	**519,443**	5,763	277,332
Payable - AED	**267,735**	**4,710,024**	133,752	2,458,363
Payable - AUD	**4,750**	**235,529**	14,386	723,198
Payable - SGD	**102,805**	**4,825,649**	-	-
Receivables - EURO	**1,155,763**	**85,064,186**	499,454	37,533,951
Receivables - AUD	**762,335**	**37,804,205**	348,018	17,494,856
Receivables - GBP	**294,961**	**24,720,683**	148,043	13,445,240
Receivables - USD	**3,869,308**	**249,879,943**	2,055,319	138,775,107
Receivables - SGD	**331,298**	**15,551,110**	22,327	1,118,373
EEFC - USD	**8,101**	**523,187**	2,708	182,839
EEFC - GBP	**32,476**	**2,721,844**	3,757	341,208
EEFC - EURO	**2,418**	**177,935**	2,418	181,682

40 CORPORATE SOCIAL RESPONSIBILITY

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

The company has implemented CSR activities through Catalysts for Social Action ("CSA") a Not-For-Profit organization dedicated to the cause of child welfare and rehabilitation for children living in orphanages. The total amount spent by the Company through CSA is ₹ 25,090,000 (previous year: ₹ 23,800,000)

Amount in ₹

CSR Activities	In cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	25,090,000	-	25,090,000

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

Particulars	Note No.	Amount as per Previous year financials	Revision in the amount for Previous year	Revised amount for Previous year	Remark
Other expenses	25	529,717,261	6,010,776	535,728,037	Rearranged
Finance costs		6,010,775	(6,010,775)	-	Rearranged
Long-term loans and advances	14	93,257,795	1,217,000	94,474,795	Rearranged
Short-term loans and advances	19	78,802,616	(1,217,000)	77,585,616	Rearranged

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

Notes to the financial statements

43 LONG TERM CONTRACTS

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

44 DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

Specified Bank Notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in table below:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	16,000	-	16,000
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	16,000	-	16,000
Closing cash in hand as on 30.12.2016	-	-	-

45 ACCOUNTING FOR PROPOSED DIVIDEND

As per the requirements of pre-revised Accounting Standard 4 (AS 4), the Company used to create a liability for dividend proposed / declared after the balance sheet date if dividend related to periods covered by the financial statements. Going forward, as per AS 4(R), the Company cannot create provision for dividend proposed / declared after the balance sheet date unless a statute requires otherwise. Rather, company will need to disclose the same in notes to the financial statements.

Accordingly, the Company has disclosed dividend proposed by Board of Directors after the balance sheet date in the notes.

Had the Company continued with creation of provision for proposed dividend, its surplus in the Statement of Profit and Loss would have been lower by ₹ 718,595,861 and short-term provision would have been higher by ₹ 718,595,861 (including dividend distribution tax of ₹ 121,545,421).

46 During the year, the Company has received Show Cause cum Demand notices on account of service tax demand amounting to ₹ 48,581,562 (excluding interest and penalty) by Service Tax authorities (Certain transactions were chargeable to tax under Reverse Charge Mechanism and Cenvat credit was not eligible for certain transactions) pertaining to financial year 2011-12 to 2014-15. The Company has filed reply to Show Cause cum Demand notices with the service tax authorities.

47 OTHER MATTERS

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

As per our report of even date attached

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 9th August 2017

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

Neela Bhattacherjee
Managing Director
DIN: 01912483

Sekhar Natarajan
Independent Director
DIN: 01031445

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 9th August 2017

Independent Auditor's Report

To the Members of

Accelya Kale Solutions Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Accelya Kale Solutions Limited ('the Holding Company') and its subsidiaries (collectively referred to as 'the Group'), comprising of the Consolidated Balance Sheet as at 30 June 2017 and the Consolidated Statement of Profit and Loss and Consolidated Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013("the Act") with respect to the preparation of these consolidated financial statements in terms of requirement of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective board of directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; 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, 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 30 June 2017 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept so far as appears from our examination of those books and reports of other auditors;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash flow statement dealt 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; and

e) On the basis of written representations received from the directors of the Holding Company as on 30 June 2017, and taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 30 June 2017, from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; and

g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Company has disclosed the impact of pending litigations in its financial position in its consolidated financial statements – Refer Note 29 to the consolidated financial statements;

   (ii) Provision has been made in the consolidated financial statements , as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 41 and 42 to the consolidated financial statements;

   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company; and

   (iv) The Holding Company has provided requisite disclosures in the consolidated financial statements Note 43 as regards to the Holding Company holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8 November 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016. Based on audit procedures performed and the representations provided to us by the management of the Holding Company, we report that the disclosures are in accordance with the books of account maintained by the Holding Company and as produced to us by the Management of the Holding Company.

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 9th August 2017

Annexure A to the Independent Auditor's Report - 30 June 2017

(Referred to in our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 30 June 2017, we have audited the internal financial controls over financial reporting of Accelya Kale Solutions Limited ('the Holding Company') as of that day.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 30 June 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

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

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 9th August 2017

Consolidated Balance sheet as at 30 June 2017	Note	30 June 2017 ₹	30 June 2016 ₹
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	**149,268,660**	149,268,660
Reserves and surplus	4	**1,655,762,359**	982,055,480
		1,805,031,019	1,131,324,140
Non-current liabilities			
Other long-term liabilities	5	**12,034,336**	16,826,914
Long-term provisions	6	**50,149,458**	49,062,697
		62,183,794	65,889,611
Current liabilities			
Trade payables			
Dues of micro and small enterprises	7	**-**	-
Dues of creditors other than micro and small enterprises	7	**172,574,644**	118,967,612
Other current liabilities	8	**185,134,923**	80,313,830
Short-term provisions	9	**243,096,990**	775,302,379
		600,806,557	974,583,821
TOTAL		**2,468,021,370**	2,171,797,572
ASSETS			
Non-current assets			
Goodwill on consolidation		**385,704,031**	417,995,382
Fixed assets			
Tangible fixed assets	10	**238,021,826**	187,340,703
Intangible fixed assets	11	**117,862,698**	163,527,502
Capital work-in-progress	10	**6,425,100**	429,270
Intangible assets under development	11	**-**	125,000
Non-current investments	12	**60,000**	60,000
Deferred tax assets (net)	13	**43,923,175**	34,414,350
Long-term loans and advances	14	**84,357,211**	95,337,236
Other non-current assets	15	**15,285,620**	13,554,315
		891,639,661	912,783,758
Current assets			
Current investments	16	**380,244,014**	241,338,977
Trade receivables	17	**664,537,970**	391,861,747
Cash and bank balances	18	**241,204,751**	267,685,363
Short-term loans and advances	19	**105,400,796**	81,396,247
Other current assets	20	**184,994,178**	276,731,480
		1,576,381,709	1,259,013,814
TOTAL		**2,468,021,370**	2,171,797,572
Significant accounting policies	2		

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

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 9th August 2017

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

Neela Bhattacherjee
Managing Director
DIN: 01912483

Sekhar Natarajan
Independent Director
DIN: 01031445

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 9th August 2017

Consolidated Statement of profit and loss for the year ended 30 June 2017	Note	**Year ended 30th June 2017 ₹**	Year ended 30th June 2016 ₹
Revenue			
Sale of software services	*21*	**3,673,974,834**	3,409,817,314
Other income	*22*	**114,025,217**	89,489,497
Total revenue		**3,788,000,051**	3,499,306,811
Expenses			
Employee benefits expense	*23*	**1,418,614,012**	1,416,357,044
Depreciation and amortization	*24*	**143,755,182**	133,111,875
Other expenses	*25*	**825,240,637**	684,028,250
Less: Product development cost capitalised	*26*	**(14,550,523)**	(12,252,965)
Total expenses		**2,373,059,308**	2,221,244,204
Profit before taxation		**1,414,940,743**	1,278,062,607
Less: Provision for taxation			
Current tax		**506,343,998**	450,613,062
Tax expense for earlier year's		**4,674,349**	-
Deferred tax credit		**(9,508,825)**	(2,779,144)
Profit after taxation		**913,431,221**	830,228,689
Earnings per equity share (face value of ₹ 10 each)	*27*		
Basic and diluted		**61.20**	55.62
Significant accounting policies	*2*		

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

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 9th August 2017

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

Neela Bhattacherjee
Managing Director
DIN: 01912483

Sekhar Natarajan
Independent Director
DIN: 01031445

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 9th August 2017

Consolidated cash flow statement **for the year ended 30 June 2017**	**Year ended 30th June 2017** ₹	Year ended 30th June 2016 ₹
Cash flows from operating activities		
Net profit before tax	**1,414,940,743**	1,278,062,607
Adjustments for:		
Depreciation and amortization	**143,755,182**	133,111,875
(Profit)/ loss on sale of fixed assets	**(733,389)**	366,013
Provision/ (reversal) for doubtful debts	**2,187,295**	(6,223,855)
Credit balances written back	**(12,766,326)**	(29,038,273)
Effect of exchange difference on translation of subsidiaries	**(15,962,446)**	(4,338,386)
Unrealised foreign exchange loss	**(3,262,444)**	(8,918,579)
Interest on bank deposits	**(286,420)**	(352,042)
Mark to market loss on derivative contract	**3,059,490**	770,226
Dividend on mutual fund invetments	**(9,806,538)**	(11,301,542)
Operating cash flow before working capital changes	**1,521,125,147**	1,352,138,044
(Increase) in trade receivables	**(272,029,587)**	(15,022,815)
(Increase) in loans and advances	**(30,597,418)**	(39,206,787)
Decrease/ (increase) in unbilled revenue	**92,493,625**	(67,768,833)
Increase in current liabilities and provisions	**115,242,084**	32,341,945
Cash generated from operations	**1,426,233,851**	1,262,481,554
Taxes paid, net of refunds	**(498,275,678)**	(462,800,812)
Net cash provided by operating activities (A)	**927,958,173**	799,680,742
Cash flows from investing activities		
Purchase of fixed assets	**(103,301,712)**	(214,154,930)
Proceeds from sale of fixed assets	**896,708**	958,400
Interest received on bank deposits	**240,834**	339,772
Dividend received on mutual fund investments	**9,806,538**	11,301,542
Purchase of investments in a mutual fund	**(2,352,405,056)**	(1,985,300,049)
Sale of investments in a mutual fund	**2,213,500,019**	2,117,000,000
Investment in bank deposit having maturity more than 3 months	**(3,647,443)**	(2,416,980)
Margin money deposits matured	**3,423,069**	2,285,402
Net cash used in investing activities (B)	**(231,487,043)**	(69,986,843)

Consolidated cash flow statement for the year ended 30 June 2017	**Year ended 30th June 2017 ₹**	Year ended 30th June 2016 ₹
Cash flow from financing activities		
Dividend paid (including tax thereon)	**(727,020,739)**	(689,914,276)
Net cash used by financing activities (C)	**(727,020,739)**	(689,914,276)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(30,549,609)**	39,779,623
Effect of exchange differences on cash and cash equivalents held in foreign currency	**3,858,366**	10,096,438
Cash and cash equivalents at the beginning of the year	**264,262,294**	214,386,233
Cash and cash equivalents at the end of the year	**237,571,051**	264,262,294
Note to Cash flow statement:		
(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS-3) on Cash Flow Statement.		
(b) Components of cash and cash equivalents		
Balance with banks		
in current accounts	**206,685,900**	239,491,081
in EEFC accounts	**3,422,965**	705,729
Unclaimed dividend *	**27,462,186**	24,065,484
Total cash and cash equivalents	**237,571,051**	264,262,294

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

As per our report of even date attached

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 9th August 2017

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

Neela Bhattacherjee
Managing Director
DIN: 01912483

Sekhar Natarajan
Independent Director
DIN: 01031445

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 9th August 2017

Notes to the financial statements

1. Background

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

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

The list of subsidiaries considered in these consolidated financial statements as at 30 June, 2017 with percentage holding is summarized below:

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

2. Summary of significant accounting policies

a) Basis of preparation of consolidated financial statements

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

b) Basis of consolidation

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

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

c) Use of estimates

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

Notes to the financial statements

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

d) Current- non-current classification

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

Assets

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

(a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

(b) It is held primarily for the purpose of being traded;

(c) It is expected to be realised within 12 months after the reporting date; or

(d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date;

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

All other assets are classified as non-current.

Liabilities

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

(a) It is expected to be settled in the Company's normal operating cycle;

(b) It is held primarily for the purpose of being traded;

(c) It is due to be settled within 12 months after the reporting date; or

(d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

Current liabilities include current portion of non current financial liabilities.

All other liabilities are classified as non current.

Operating cycle

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

e) Revenue recognition

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

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

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

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

Notes to the financial statements

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

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

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

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

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

f) Goodwill on consolidation

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

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

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

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

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

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

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

Notes to the financial statements

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

h) Research and Development cost

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

i) Asset impairment

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

j) Investments

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

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

k) Leases

Operating lease

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

Finance Lease

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

l) Foreign currency transactions

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

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

Translation of foreign operations

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

Notes to the financial statements

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

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

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

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

Derivative instruments

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

m) Employee benefits

Defined Contribution Plan

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

Defined Benefit Plan

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

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

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

Notes to the financial statements

n) Income taxes

Income-tax expense comprises current tax and deferred tax charge or credit.

Current taxes

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

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

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

Deferred taxes

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

o) Earnings per share ('EPS')

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

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

p) Provisions and contingent liabilities

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

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

Notes to the financial statements

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

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

q) Onerous contracts

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

3 SHARE CAPITAL

	30 June 2017 ₹	30 June 2016 ₹
Authorised		
20,200,000 (30 June 2016: 20,200,000) equity shares of ₹10 each	**202,000,000**	202,000,000
Issued, subscribed and paid-up		
14,926,261 (30 June 2016: 14,926,261) equity shares of ₹10 each fully paid up	**149,262,610**	149,262,610
Forfeited shares	**6,050**	6,050
Total issued, subscribed and paid-up	**149,268,660**	149,268,660

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

Equity shares

	30 June 2017		30 June 2016	
	Number of shares	₹	Number of shares	₹
At the beginning and end of year	**14,926,261**	**149,262,610**	14,926,261	149,262,610

b. Rights, preference and restriction attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting right of an equity shareholder on a poll (not on show of hands) is in proportion to its share of the paid-up equity capital of the Company. Voting right cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. During the year the Company has declared interim dividend of ₹ 11 per equity share of ₹10 each. For the year ended June 30, 2017, the Board of Directors have recommended a final dividend of ₹ 40 per equity share of ₹10 each. This is subject to approval of shareholders.

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

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

Notes to the financial statements

c. Shares held by holding company

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

	30 June 2017 ₹	30 June 2016 ₹
Accelya Holding World S.L.U.		
11,143,295 (30 June 2016: 11,143,295) equity shares of ₹10 each fully paid	**111,432,950**	111,432,950

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

	30 June 2017		30 June 2016	
	Number of shares	**% of total shares in the class**	Number of shares	% of total shares in the class
Equity shares of ₹10 each fully paid				
Accelya Holding World S.L.U.	**11,143,295**	**74.66**	11,143,295	74.66

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

During the five year period ended 30 June 2017

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

4 RESERVES AND SURPLUS

	30 June 2017 ₹	30 June 2016 ₹
Capital redemption reserve		
Balance as at the commencement and at the end of the year	**9,538,260**	9,538,260
Securities premium account		
Balance as at the commencement and at the end of the year	**316,984,098**	316,984,098
General reserve		
Balance as at the commencement and at the end of the year	**236,953,435**	236,953,435
Foreign currency translation reserve		
At the commencement of the year	**98,993,085**	145,803,004
Movement during the year	**(48,253,797)**	(46,809,919)
Balance at the end of the year	**50,739,288**	98,993,085
Balance in the statement of profit and loss		
At the commencement of the year	**319,586,602**	292,215,085
Add: Net profit for the year	**913,431,221**	830,228,689

Notes to the financial statements

	30 June 2017 ₹	30 June 2016 ₹
Less: Appropriations		
Interim dividend (current year amount per share ₹11, 30 June 2016: amount per share ₹ 15)	**164,188,871**	223,893,915
Dividend distribution tax on interim equity dividend paid	**33,425,000**	44,096,700
Dividend distribution tax credit	**(6,143,326)**	(4,080,339)
Final equity dividend (30 June 2016: amount per share ₹ 30)	**-**	447,787,830
Dividend distribution tax on final equity dividend	**-**	91,159,066
Total appropriations	**191,470,545**	802,857,172
At the end of the year	**1,041,547,278**	319,586,602
Total reserve and surplus	**1,655,762,359**	982,055,480

5 OTHER LONG-TERM LIABILITIES

	Non-current portion		Current portion (Refer note 8)	
	30 June 2017 ₹	30 June 2016 ₹	**30 June 2017** ₹	30 June 2016 ₹
Deposit received	**1,528,797**	1,725,561	**-**	-
Deferred rent liability	**10,505,539**	15,101,353	**4,178,873**	193,475
	12,034,336	16,826,914	**4,178,873**	193,475

6 LONG-TERM PROVISIONS

	Non-current portion		Current portion (Refer note 9)	
	30 June 2017 ₹	30 June 2016 ₹	**30 June 2017** ₹	30 June 2016 ₹
Provision for employee benefits				
- Compensated absences (refer note 31)	**50,149,458**	49,062,697	**14,487,395**	17,182,120
	50,149,458	49,062,697	**14,487,395**	17,182,120

7 TRADE PAYABLES

	30 June 2017 ₹	30 June 2016 ₹
- Total outstanding dues of micro and small enterprises (refer note 35)	**-**	-
- Total outstanding dues of creditors other than micro and small enterprises	**172,574,644**	118,967,612
	172,574,644	118,967,612

Notes to the financial statements

8 OTHER CURRENT LIABILITIES

	30 June 2017 ₹	30 June 2016 ₹
Income received in advance	**62,914,939**	23,240,736
Creditors for capital goods	**67,802,791**	16,298,853
Deferred rent liability (refer note 5)	**4,178,873**	193,475
Unclaimed dividends	**27,462,186**	24,065,484
Provident fund contribution payable	**5,934,044**	5,409,544
Profession tax payable	**255,350**	253,675
Tax deducted at source payable	**14,662,113**	10,508,729
Value added tax payable	**442,849**	3,996
Local body tax payable	**1,078,424**	235,439
United Kingdom national insurance contribution payable	**32,256**	-
Payable to employee state insurance corporation	**371,098**	103,899
	185,134,923	80,313,830

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

9 SHORT-TERM PROVISIONS

	30 June 2017 ₹	30 June 2016 ₹
Provision for employee benefits		
- Compensated absences (refer note 6 and 31)	**14,487,395**	17,182,120
- Gratuity (refer note 31)	**15,838,835**	13,510,382
Proposed dividend	**-**	447,787,830
Tax on proposed dividend	**-**	91,159,066
Provision for salaries and incentives	**120,989,856**	124,087,618
Provision for litigation (Refer note (a) below)	**1,000,000**	1,000,000
Provision for claims	**13,549,917**	8,478,793
Provision for mark to market loss on forward contract	**4,603,130**	1,543,640
Provision for income tax (net of advance tax ₹ 1,241,064,513, 30 June 2016: ₹ 781,802,419)	**72,627,857**	70,552,930
	243,096,990	775,302,379
(a) Movement in provision for litigation		
Balance as at the commencement and end of the year	**1,000,000**	1,000,000

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

Notes to the financial statements

10 TANGIBLE FIXED ASSETS

	Building	Plant and machinery and computer equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Total
	₹	₹	₹	₹	₹	₹
Gross block (at cost)						
As at 1 July 2015	63,259,128	409,497,334	54,371,097	15,094,242	21,659,954	563,881,755
Additions during the year	-	88,794,702	6,274,473	2,646,178	-	97,715,353
Deletions/ disposals	-	8,454,491	512,483	7,377,990	-	16,344,964
Translation	-	29,625	66,766	-	-	96,391
As at 30 June 2016	63,259,128	489,867,170	60,199,853	10,362,430	21,659,954	645,348,535
Additions during the year	-	119,874,397	6,078,441	-	2,763,814	128,716,652
Deletions/ disposals	-	49,505,805	561,920	852,912	-	50,920,637
Translation	-	(259,344)	(297,566)	-	-	(556,910)
As at 30 June 2017	**63,259,128**	**559,976,418**	**65,418,808**	**9,509,518**	**24,423,768**	**722,587,640**
Accumulated depreciation						
As at 1 July 2015	34,613,822	284,732,790	42,220,960	13,291,854	14,837,572	389,696,998
Charge for the year	2,108,638	70,609,862	5,182,611	774,343	4,563,735	83,239,189
Deletions/ disposals	-	8,463,229	512,483	6,044,839	-	15,020,551
Translation	-	30,697	61,499	-	-	92,196
As at 30 June 2016	36,722,460	346,910,120	46,952,587	8,021,358	19,401,307	458,007,832
Charge for the year	2,108,638	67,443,404	5,230,315	529,236	2,529,400	77,840,993
Deletions/ disposals	-	49,367,379	537,027	852,912	-	50,757,318
Translation	-	(230,367)	(295,326)	-	-	(525,693)
As at 30 June 2017	**38,831,098**	**364,755,778**	**51,350,549**	**7,697,682**	**21,930,707**	**484,565,814**
Net block						
As at 30 June 2016	26,536,668	142,957,050	13,247,266	2,341,072	2,258,647	187,340,703
As at 30 June 2017	**24,428,030**	**195,220,640**	**14,068,259**	**1,811,836**	**2,493,061**	**238,021,826**

	Capital work-in- progress
	₹
As at 1 July 2015	181,760
Additions	429,270
Assets capitalisation during the year	181,760
As at 30 June 2016	429,270
Additions	6,425,100
Assets capitalisation during the year	429,270
As at 30 June 2017	**6,425,100**

Notes to the financial statements

11 INTANGIBLE FIXED ASSETS

	Internally developed software	Acquired software	Total
	₹	₹	₹
Gross block (at cost)			
As at 1 July 2015	357,540,026	249,841,416	607,381,442
Purchase/ internal development	12,345,946	84,039,451	96,385,397
Deletions/ disposals	-	-	-
As at 30 June 2016	369,885,972	333,880,867	703,766,839
Purchase/ internal development	14,550,523	5,698,862	20,249,385
Deletions/ disposals	-	7,924,086	7,924,086
As at 30 June 2017	**384,436,495**	**331,655,643**	**716,092,138**
Accumulated amortisation			
As at 1 July 2015	264,655,299	225,711,351	490,366,650
Charge for the year	30,915,790	18,956,897	49,872,687
Deletions/ disposals	-	-	-
As at 30 June 2016	295,571,089	244,668,248	540,239,337
Charge for the year	30,881,128	35,033,061	65,914,189
Deletions/ disposals	-	7,924,086	7,924,086
As at 30 June 2017	**326,452,217**	**271,777,223**	**598,229,440**
Net block			
As at 30 June 2016	74,314,883	89,212,619	163,527,502
As at 30 June 2017	**57,984,278**	**59,878,420**	**117,862,698**

	Intangible assets under development
	₹
As at 1 July 2015	217,957
Additions	12,252,989
Assets capitalisation during the year	12,345,946
As at 30 June 2016	125,000
Additions	14,425,523
Assets capitalisation during the year	14,550,523
As at 30 June 2017	**-**

Notes to the financial statements

12 NON-CURRENT INVESTMENTS

	30 June 2017 ₹	30 June 2016 ₹
Trade investments (unquoted at cost, unless otherwise stated)		
Investments in Shares of Co-operative Banks		
Rupee Co-operative Bank Limited		
5,000 equity shares of ₹10 each fully paid up (30 June 2016: 5,000 equity shares of ₹10 each fully paid up)	**50,000**	50,000
Saraswat Co-operative Bank Limited		
1,000 equity shares of ₹10 each fully paid up (30 June 2016: 1,000 equity shares of ₹10 each fully paid up)	**10,000**	10,000
	60,000	60,000

13 DEFERRED TAX ASSETS (NET)

	30 June 2017 ₹	30 June 2016 ₹
Deferred tax assets:		
Provision for compensated absences	**22,353,608**	22,566,114
Provision for doubtful debts	**2,823,287**	2,325,868
Future tax deductible expenses	**29,124,246**	10,581,376
	54,301,141	35,473,358
Deferred tax liability:		
Difference between tax and book value of fixed assets	**(10,377,966)**	(1,059,008)
	(10,377,966)	(1,059,008)
Deferred tax asset (net)	**43,923,175**	34,414,350

14 LONG-TERM LOANS AND ADVANCES

	Non-current portion		Current portion (refer note 19)	
	30 June 2017 ₹	30 June 2016 ₹	30 June 2017 ₹	30 June 2016 ₹
Unsecured, considered good				
Advances recoverable in cash or in kind	**1,217,000**	1,217,000	**41,407,011**	40,702,820
Advance income-tax (net of provision for tax of ₹ 428,858,473, 30 June 2016: ₹ 707,746,278)	**7,603,922**	20,267,458	**1,995,794**	-
Prepaid expenses	**1,263,585**	2,328,378	**43,172,676**	37,524,611
Lease and other deposits	**56,092,118**	53,649,089	**-**	56,000
Service tax refund receivable	**18,180,586**	17,875,311	**18,825,315**	3,112,816
	84,357,211	95,337,236	**105,400,796**	81,396,247

Notes to the financial statements

15 OTHER NON-CURRENT ASSETS

	30 June 2017 ₹	30 June 2016 ₹
Margin money deposit	**630,866**	617,123
Discount in advance	**14,483,369**	12,740,485
Interest accrued on bank deposits	**171,385**	196,707
	15,285,620	13,554,315

Margin money deposits

Margin money deposits represent deposit with banks for issue of bank gurantees given to various authorities amounting to ₹ 630,866 (30 June 2016: ₹ 617,123) which are due to mature after 12 months of the reporting date.

Discount in advance

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

16 CURRENT INVESTMENTS

	30 June 2017 ₹	30 June 2016 ₹
(At lower of cost and fair value)		
Investments in mutual fund		
Non trade (unquoted)		
HDFC		
77,235.819 Liquid Fund Div Reinvest of ₹ 1,019.82 (30 June 2016: 87,426.547 Liquid Fund Div Reinvest of ₹ 1,019.82) (net asset value of unquoted investment)	**78,766,633**	89,159,341
ICICI Prudential		
625,825.963 Liquid Fund Div Reinvest of ₹ 100.0989 (30 June 2016: 525,691.147 Liquid Fund Div Reinvest of ₹ 100.0989) (net asset value of unquoted investment)	**62,644,490**	52,621,106
Birla Sun Life		
1,223,809.486 Liquid fund Div reinvest of ₹ 100.195 (30 June 2016: 993,647.686 Liquid fund Div reinvest of ₹ 100.1950) (net asset value of unquoted investment)	**122,619,591**	99,558,530
SBI Premier		
115,836.830 Liquid fund Div reinvest of ₹ 1,003.25 (30 June 2016: Nil) (net asset value of unquoted investment)	**116,213,300**	-
	380,244,014	241,338,977
Aggregate amount of unquoted investments	**380,244,014**	241,338,977

Notes to the financial statements

17 TRADE RECEIVABLES

		30 June 2017 ₹	30 June 2016 ₹
(Unsecured)			
Receivables for a period exceeding six months from the date they are due for payment			
Considered good		**13,962,005**	4,335,540
Considered doubtful		**8,158,011**	5,970,716
Less: Provision for doubtful receivable		**(8,158,011)**	(5,970,716)
	(A)	**13,962,005**	4,335,540
Other receivables			
Considered good		**650,575,965**	387,526,207
Considered doubtful		**-**	-
Less: Provision for doubtful receivable		**-**	-
	(B)	**650,575,965**	387,526,207
	(A+B)	**664,537,970**	391,861,747
Trade receivables include:			
Due from group companies in which director and member are interested (Refer to note 33)		**60,252,185**	30,319,678

18 CASH AND BANK BALANCES

	30 June 2017 ₹	30 June 2016 ₹
Cash and cash equivalents		
Balances with banks		
In current accounts	**206,685,900**	239,491,081
In EEFC accounts	**3,422,965**	705,729
Other bank balances		
Bank deposit maturing within one year from reporting date	**-**	-
Margin money deposits	**3,633,700**	3,423,069
Unclaimed dividend *	**27,462,186**	24,065,484
	241,204,751	267,685,363

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

Margin money deposits

Margin money deposits represent deposit with banks for issue of bank gurantees given to various authorities amounting to ₹ 3,633,700 (30 June 2016: ₹ 3,423,069) which are due to mature within 12 months of the reporting date.

Due after 12 months (refer note 15)	**630,866**	617,123

Notes to the financial statements

19 SHORT-TERM LOANS AND ADVANCES

	30 June 2017 ₹	30 June 2016 ₹
Unsecured, considered good unless otherwise stated		
Advances recoverable in cash or kind (refer note 14)	**41,407,011**	40,702,820
Service tax refund receivable (refer note 14)	**18,825,315**	3,112,816
Prepaid expenses (refer note 14)	**43,172,676**	37,524,611
Lease and other deposits (refer note 14)	**-**	56,000
Advance income-tax (net of provision for tax of ₹ 26,569,848 30 June 2016: Nil) (refer note 14)	**1,995,794**	-
	105,400,796	81,396,247

20 OTHER CURRENT ASSETS

	30 June 2017 ₹	30 June 2016 ₹
Interest accrued on bank deposits	**188,507**	117,599
VAT receivable	**-**	293,220
Unbilled revenue (refer note 33 and 36)	**181,396,316**	273,889,941
Discount in advance	**3,409,355**	2,430,720
	184,994,178	276,731,480
Discount in advance		
Discount in advance represent discount given to customer to be amortised over the period of contract.		
Unbilled revenue include:		
Revenue from group companies	**43,031,605**	22,851,611

21 REVENUE FROM OPERATIONS

	Year ended 30 June 2017 ₹	Year ended 30 June 2016 ₹
Sale of services	**3,662,264,106**	3,397,088,294
Other operating revenue		
Reimbursement from clients	**11,710,728**	12,729,020
	3,673,974,834	3,409,817,314

22 OTHER INCOME

	Year ended 30 June 2017 ₹	Year ended 30 June 2016 ₹
Interest on bank deposits	**286,420**	352,042
Interest on income tax refunds	**795,791**	-
Foreign exchange gain, net	**71,484,785**	44,473,853
Credit balances written back	**12,766,326**	29,038,273
Dividend from mutual fund	**9,806,538**	11,301,542
Profit on sale of fixed assets, net	**733,389**	-
Miscellaneous income	**18,151,968**	4,323,787
	114,025,217	89,489,497

Notes to the financial statements

23 EMPLOYEE BENEFITS EXPENSE

	Year ended 30 June 2017 ₹	Year ended 30 June 2016 ₹
Salaries and incentives	**1,316,671,424**	1,317,438,901
Contribution to provident fund and other funds	**39,724,947**	37,211,760
Staff welfare expenses	**47,768,386**	47,705,001
Gratuity (refer note 31)	**14,449,255**	14,001,382
	1,418,614,012	1,416,357,044

24 DEPRECIATION AND AMORTIZATION

	Year ended 30 June 2017 ₹	Year ended 30 June 2016 ₹
Depreciation of tangible assets	**77,840,993**	83,239,188
Amortisation of intangible assets	**65,914,189**	49,872,687
	143,755,182	133,111,875

25 OTHER EXPENSES

	Year ended 30 June 2017 ₹	Year ended 30 June 2016 ₹
Advertisement and sales promotion	**32,300,624**	28,705,148
Auditors remuneration (refer below)	**7,189,957**	6,492,866
Bank charges	**4,285,724**	6,520,360
Commission and brokerage	**3,750,549**	4,720,114
Communication charges	**24,207,823**	21,107,697
Connectivity charges	**26,611,629**	14,872,311
Data processing charges	**20,607,743**	11,890,921
Director's commission	**500,000**	500,000
Director's sitting and committee fees	**2,610,525**	2,373,083
Contribution to corporate social responsibility (refer note 37)	**25,090,000**	23,800,000
Insurance	**3,981,083**	4,365,799
Legal and professional fees	**17,981,150**	28,366,362
Management fees	**32,236,053**	31,513,710
Membership and subscription	**10,015,018**	10,299,754
Power, fuel and water charges	**31,868,267**	31,154,987
Printing and stationery	**2,210,218**	1,988,148
Provision/ (reversal) for doubtful debts	**2,187,295**	(6,223,855)
Bad debt written off	**1,191,498**	6,254,491
Rates and taxes	**3,059,907**	4,197,518
Loss on sale of fixed assets, net	**-**	366,013
Recruitment expenses	**9,884,850**	3,136,506
Rent (refer note 34)	**76,915,640**	77,146,410

Notes to the financial statements

	Year ended 30 June 2017 ₹	Year ended 30 June 2016 ₹
Repair and maintenance :		
-Machinery	**6,188,069**	4,567,767
-Others	**18,333,373**	18,338,431
Software and maintenance	**208,373,884**	157,215,409
Technical consultants charges	**154,746,731**	77,675,417
Travelling and conveyance	**70,416,762**	80,579,632
Miscellaneous expenses	**28,496,265**	32,103,251
	825,240,637	684,028,250
Auditor's remuneration		
Statutory audit fees	**6,122,153**	5,787,420
Other services (tax audit and certification)	**776,717**	381,640
Out of pocket expenses	**291,087**	323,806
	7,189,957	6,492,866

26 PRODUCT DEVELOPMENT COST CAPITALISED

	Year ended 30 June 2017 ₹	Year ended 30 June 2016 ₹
Payroll cost	**14,226,063**	12,249,115
Technical consultant charges	**321,356**	-
Other direct cost	**3,104**	3,850
	14,550,523	12,252,965

27 EARNINGS PER EQUITY SHARE (EPS)

	Year ended 30 June 2017 ₹	Year ended 30 June 2016 ₹
Number of shares (face value ₹10 each)	**14,926,261**	14,926,261
Profit after tax	**913,431,221**	830,228,689
Weighted average number of shares considered for basic EPS	**14,926,261**	14,926,261
Weighted average number of shares considered for diluted EPS	**14,926,261**	14,926,261
Basic and diluted EPS:		
Basic earnings per share	**61.20**	55.62
Diluted earnings per share	**61.20**	55.62

Notes to the financial statements

28 CAPITAL AND OTHER COMMITMENTS

	Year ended 30 June 2017 ₹	Year ended 30 June 2016 ₹
Estimated amount of contracts remaining to be executed on capital account, to the extent not provided (net of advances)	**11,663,414**	21,498,082

29 CONTINGENT LIABILITIES

	Year ended 30 June 2017 ₹	Year ended 30 June 2016 ₹
Claims against the Company pertaining to Sales tax with Assistant Commissioner of Sales Tax (Appeals) - For F.Y. 2001-02 (disallowance of Software services and maintenance of software)	**7,870,739**	7,870,739
Contingent liability on account of rejection of refund of cenvat credit by Service Tax Department for which an appeal has been filed. Claim against Company not acknowledge as debt.	**18,180,586**	17,875,311

The Company has reviewed all its pending litigation and proceedings and has adequately provided where provision are required. The Company has disclosed contingent liabilities wherever applicable. The resolution of these legal proceedings is not likely to have a material and adverse effect on the results of operations or the financial position of the Company.

30 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

Year of remittance (ending on)	**Year ended 30 June 2017**	Year ended 30 June 2016
Period to which the dividend relates	**2015-16 (Final dividend)**	2014-15 (Final dividend)
Numbers of non-resident shareholders	**17**	18
Numbers of equity shares held on which dividend was due	**11,165,711**	11,183,244
Amount remitted	**334,971,330**	279,581,100
Period to which it relates	**2016-17 (Interim dividend)**	2015-16 (Interim dividend)
Numbers of non-resident shareholders	**17**	18
Numbers of equity shares held on which dividend was due	**11,165,711**	11,183,244
Amount remitted	**122,822,821**	167,748,660

Notes to the financial statements

31 RETIREMENT BENEFITS TO EMPLOYEES

Gratuity

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

	Year ended 30 June 2017 ₹	Year ended 30 June 2016 ₹
Changes in present value of obligations		
a) Liability recognised in the balance sheet		
i) Present value of obligation		
Opening balance	**64,779,645**	56,225,476
Current service cost	**9,710,450**	10,400,936
Interest cost	**4,984,490**	4,183,926
Actuarial loss on obligations	**4,533,989**	3,113,442
Benefits paid	**(4,872,856)**	(9,144,135)
Closing balance (i)	**79,135,718**	64,779,645
ii) Fair value of plan assets		
Opening balance	**51,269,263**	43,444,407
Expected return on plan assets	**4,098,624**	3,868,212
Employer's contributions	**12,120,802**	13,272,069
Actuarial loss/ (gain) on plan assets	**681,050**	(171,290)
Benefits paid	**(4,872,856)**	(9,144,135)
Closing balance (ii)	**63,296,883**	51,269,263
Net liability recognised in the balance sheet (i-ii)	**15,838,835**	13,510,382
b) Expenses recognised in statement of profit and loss		
Current service cost	**9,710,450**	10,400,936
Interest cost	**4,984,490**	4,183,926
Expected return on plan assets	**(4,098,624)**	(3,868,212)
Net actuarial loss recognised during the period	**3,852,939**	3,284,732
Expenses recognised in statement of profit and loss	**14,449,255**	14,001,382
c) Break up of Plan assets		
LIC of India - Insurer Managed Fund	**100.00%**	100.00%
d) Principal actuarial assumptions		
Discount rate	**6.85%**	7.70%
Expected return on plan assets	**8.00%**	8.50%
Rate of increase in basic salary	**5.00%**	5.00%
Attrition rate	**13.00%**	13.00%
Mortality	**Indian Assured Lives Mortality (2006-08) ultimate**	Indian Assured Lives Mortality (2006-08) ultimate
Normal retirement age	**58 years**	58 years

Notes to the financial statements

Experience adjestment	Year ended 30 June 2017	Year ended 30 June 2016	Year ended 30 June 2015	Year ended 30 June 2014	Year ended 30 June 2013
	₹	₹	₹	₹	₹
Present value of obligation	**79,135,718**	64,779,645	56,225,476	45,607,120	42,625,324
Plan assets	**63,296,883**	51,269,263	43,444,407	38,139,760	38,032,777
Surplus (deficit)	**(15,838,835)**	(13,510,382)	(12,781,069)	(7,467,360)	(4,592,547)
Experience adjustments on plan liabilities (loss)/gain	**729,719**	1,704,152	(121,529)	1,027,170	2,127,217
Experience adjustments on plan assets (loss)/gain	**(681,050)**	(56,252)	(391,576)	(281,638)	780,327

The Company estimates that the balance amount to be contributed to the gratuity fund during the financial year 2017-18 will be ₹ 15,838,835.

Compensated absences

The liability towards compensated absences (annual leave) for the year ended 30 June 2017, based on actuarial valuation carried out using projected unit benefit method resulted in decrease in liability by ₹ 1,607,964 (30 June 2016: Increase by ₹ 2,076,156)

	Year ended 30 June 2017	Year ended 30 June 2016
	₹	₹
Principal actuarial assumptions		
Discount rate	**6.85%**	7.70%
Rate of increase in cost to company	**10.00%**	10.00%
Attrition rate	**13.00%**	13.00%
Mortality	**Indian Assured Lives Mortality (2006-08) ultimate**	Indian Assured Lives Mortality (2006-08) ultimate
Normal retirement age	**58 years**	58 years

Provident Fund

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to ₹ 33,054,540 (2016: ₹ 32,322,871).

Notes to the financial statements

32 SEGMENT REPORTING

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

Geographic segments

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

Segment revenues

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

Capital Employed

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

Continent wise geographical revenue and capital employed

Continent	Revenue		Capital employed	
	For the year ended 30 June 2017 ₹	For the year ended 30 June 2016 ₹	**As at 30 June 2017** ₹	As at 30 June 2016 ₹
Asia Pacific	**1,123,976,286**	1,019,472,202	**565,755,097**	314,723,230
Middle East and Africa	**653,861,045**	633,337,989	**127,906,910**	118,713,561
Americas	**1,153,353,417**	1,108,584,332	**179,292,001**	267,907,690
Europe	**742,784,086**	648,422,791	**154,885,527**	628,413,292
Un-allocable assets	**-**	-	**777,191,484**	(198,433,633)
Total	**3,673,974,834**	3,409,817,314	**1,805,031,019**	1,131,324,140

Notes to the financial statements

33 RELATED PARTY TRANSACTIONS

(A) Related party disclosures

Related parties where control exists	Name
Holding company	Accelya Holding World S.L.U.
Fellow subsidiary	Accelya World S.L.U. Accelya UK Limited Accelya France SAS Accelya America, S.A. de C.V. Accelya Portugal Unipessoal Ltda.
Key management personnel	John Johnston * - Chairman (w.e.f. 6 October 2016) Vipul Jain - Managing Director (till 30 September 2015) Neela Bhattacherjee - Managing Director (w.e.f. 1 October 2015) Gurudas Shenoy - Chief Financial Officer Ninad Umranikar - Company Secretary
Other related party	Catalysts for Social Action

Note: * Mr. Philippe Lesueur resigned as Director and Chairman with effect from 5th October, 2016.
Mr. John Johnston was appointed as Chairman with effect from 6th October, 2016.

(B) Transactions with related parties

Nature of transactions	Year ended	Holding	Fellow Subsidiary	Other related party	Key management personnel	Total
Services rendered by the Company	30 June 2017	12,183,960	350,994,934	-	-	363,178,894
	30 June 2016	31,943,468	234,240,895	-	-	266,184,363
Services received by the Company	30 June 2017	28,501,182	166,941,102	-	-	195,442,284
	30 June 2016	29,165,795	106,769,126	-	-	135,934,921
Claims raised for expenses	30 June 2017	12,675,863	21,475,126	-	-	34,150,989
	30 June 2016	5,504,423	34,087,608	-	-	39,592,031
Claims received for expenses	30 June 2017	6,608,370	4,538,959	-	-	11,147,329
	30 June 2016	16,236,207	8,318,154	-	-	24,554,361
Remuneration	30 June 2017	-	-	-	24,027,875	24,027,875
	30 June 2016	-	-	-	36,755,822	36,755,822
Contribution to Corporate Social Responsibility	30 June 2017	-	-	25,090,000	-	25,090,000
	30 June 2016	-	-	23,800,000	-	23,800,000
Dividend Paid	30 June 2017	456,875,095	-	-	362,809	457,237,904
	30 June 2016	445,731,800	-	-	301,735	446,033,535
Balances outstanding	**As at:**					
Payable	30 June 2017	6,755,278	62,039,526	-	-	68,794,804
	30 June 2016	16,957,041	31,656,392	-	-	48,613,433
Trade receivables	30 June 2017	6,169,713	54,082,473	-	-	60,252,185
	30 June 2016	2,307,941	28,011,737	-	-	30,319,678
Unbilled revenue	30 June 2017	1,346,134	41,685,471	-	-	43,031,605
	30 June 2016	2,816,971	20,034,640	-	-	22,851,611

Notes to the financial statements

33 RELATED PARTY TRANSACTIONS (contd.)

(C) Of the above items, transactions in excess of 10% of the total related party transactions are as under	30 June 2017	30 June 2016
	₹	₹
Nature of transaction		
Services rendered by the Company		
Accelya Holding World S.L.U.	**12,183,960**	31,943,468
Accelya World S.L.U.	**208,896,413**	163,332,820
Accelya France SAS	**50,465,652**	22,110,617
Accelya UK Limited	**71,753,018**	46,255,202
Accelya America, S.A. de C.V.	**4,782,772**	2,542,256
Accelya Portugal Unipessoal Ltda.	**15,097,079**	-
Services received by the Company		
Accelya World S.L.U.	**147,366,990**	103,997,025
Accelya Holding World S.L.U.	**28,501,182**	29,165,795
Accelya UK Limited	**18,809,047**	2,772,101
Accelya America, S.A. de C.V.	**765,065**	-
Claims raised for expenses		
Accelya World S.L.U.	**9,432,526**	27,483,747
Accelya Holding World S.L.U.	**12,675,863**	5,504,423
Accelya France SAS	**2,542,531**	5,454,703
Accelya UK Limited	**9,392,243**	602,443
Accelya America, S.A. de C.V.	**-**	546,717
Accelya Portugal Unipessoal Ltda.	**107,826**	-
Claims received for expenses		
Accelya World S.L.U.	**1,127,097**	1,126,572
Accelya Holding World S.L.U.	**6,608,370**	16,236,207
Accelya UK Limited	**3,240,275**	5,913,735
Accelya America, S.A. de C.V.	**171,587**	1,277,847
Remuneration		
Vipul Jain	**-**	17,309,396
Neela Bhattacherjee	**13,408,596**	10,099,506
Gurudas Shenoy	**7,184,979**	6,296,956
Ninad Umranikar	**3,434,300**	3,049,964
Dividend Paid		
Accelya Holding World S.L.U.	**456,875,095**	445,731,800
Gurudas Shenoy	**88,765**	86,600
Neela Bhattacherjee	**85,649**	31,335
Ninad Umranikar	**188,395**	183,800
Contribution to Corporate Social Responsibility		
Catalysts for Social Action	**25,090,000**	23,800,000
Payable		
Accelya Holding World S.L.U.	**6,755,278**	16,957,041
Accelya World S.L.U.	**55,111,769**	28,002,508
Accelya UK Limited	**6,863,475**	3,436,549
Accelya America, S.A. de C.V.	**64,282**	217,335

Notes to the financial statements

33 RELATED PARTY TRANSACTIONS (contd.)

(C) Of the above items, transactions in excess of 10% of the total related party transactions are as under	30 June 2017	30 June 2016
	₹	₹
Trade receivables		
Accelya Holding World S.L.U.	**6,169,713**	2,307,941
Accelya World S.L.U.	**39,593,638**	19,607,063
Accelya France SAS	**3,158,219**	5,080,711
Accelya UK Limited	**9,706,468**	3,111,684
Accelya America, S.A. de C.V.	**375,597**	212,279
Accelya Portugal Unipessoal Ltda.	**1,248,550**	-
Unbilled revenue		
Accelya Holding World S.L.U.	**1,346,134**	2,816,971
Accelya World S.L.U.	**8,555,594**	11,425,654
Accelya France SAS	**9,132,474**	4,584,516
Accelya UK Limited	**22,341,757**	3,898,613
Accelya America, S.A. de C.V.	**387,157**	125,857
Accelya Portugal Unipessoal Ltda.	**1,268,488**	-

34 LEASES

Operating lease

The lease rental (including hire charges) for office premises, guest house and godown charged to statement of profit and loss aggregates to ₹ 76,915,640 (30 June 2016: ₹ 77,146,410).

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

Due:	30 June 2017	30 June 2016
	₹	₹
Not later than one year	**75,021,262**	73,650,127
Later than one year and not later than five years	**105,477,439**	177,576,662

Notes to the financial statements

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

Based on information and records available, the Company has no dues to micro and small enterprises during the years ended 30 June 2017 and 30 June 2016 and as at 30 June 2017 and 30 June 2016.

Particulars	30 June 2017 ₹	30 June 2016 ₹
Principal amount and the interest due thereon remaining unpaid to any supplier as at the year end	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible	-	-

36 Unbilled revenue include revenue based on percentage of completion basis ₹ 58,696,511 (30 June 2016: ₹ 63,353,338)

37 Corporate Social Responsibility

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

The Company has implemented CSR activities through Catalysts for Social Action (CSA) a Not-For-Profit organization dedicated to the cause of child welfare and rehabilitation for children living in orphanages. As per Section 135 of the Companies Act, 2013 the gross amount required to be spent by the Company on CSR activities is ₹ 25,086,730. The total amount spent by the Company through CSA is ₹ 25,090,000.

CSR Activities	In cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	25,090,000	-	25,090,000

Notes to the financial statements

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

Particulars	Note No.	Amount as per Previous year financials	Revision in the amount for Previous year	Revised amount for Previous year	Remark
Other expenses	25	677,507,890	6,520,360	684,028,250	Rearranged
Finance costs		6,520,360	(6,520,360)	-	Rearranged
Long-term loans and advances	14	94,120,236	1,217,000	95,337,236	Rearranged
Short-term loans and advances	19	82,613,247	(1,217,000)	81,396,247	Rearranged

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

Name of Entity	Net Assets [Total Assets - Total Liabilities]		Share in Profit or Loss	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount
30 June 2017:				
Parent Company				
Accelya Kale Solutions Limited	**91.23%**	**1,646,804,143**	**97.28%**	**888,629,925**
Subsidiaries				
Kale Softech Inc.	**3.33%**	**60,170,217**	**-0.04%**	**(352,223)**
Zero Octa UK Limited	**5.43%**	**98,056,659**	**2.75%**	**25,153,519**
Total	**100.00%**	**1,805,031,019**	**100.00%**	**913,431,221**
30 June 2016:				
Parent Company				
Accelya Kale Solutions Limited	83.94%	949,644,739	97.19%	806,910,594
Subsidiaries				
Kale Softech Inc.	5.79%	65,455,956	1.00%	8,341,712
Zero Octa UK Limited	10.27%	116,223,445	1.80%	14,976,383
Total	100.00%	1,131,324,140	100.00%	830,228,689

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

41 LONG TERM CONTRACTS

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

Notes to the financial statements

42 DERIVATIVE INSTRUMENT

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

I. Outstanding derivative instruments

Category	Currency Hedge	30 June 2017		30 June 2016	
		Foreign currency	₹	Foreign currency	₹
Forward exchange contract (to hedge highly probable exports)	USD	**21,000,000**	**1,356,075,000**	20,200,000	1,363,904,000
	EUR	**4,200,000**	**309,135,960**	4,400,000	330,656,040
	GBP	**1,575,000**	**131,992,875**	1,650,000	149,854,980

II. Unhedged Foreign Currency exposures

Foreign currency	30 June 2017		30 June 2016	
	Foreign currency	₹	Foreign currency	₹
Payable - USD	**898,568**	**58,025,023**	699,585	47,235,946
Payable - GBP	**77,017**	**6,454,372**	28,975	2,631,489
Payable - EURO	**131,970**	**9,713,525**	323,205	24,288,832
Payable - NZD	**10,980**	**519,443**	5,763	277,332
Payable - AED	**267,735**	**4,710,024**	133,752	2,458,363
Payable - AUD	**4,750**	**235,529**	14,386	723,198
Payable - SGD	**102,805**	**4,825,649**	-	-
Payable - MXN	**18,033**	**64,338**	61,766	228,878
Payable - UYU	**-**	**-**	168,238	375,931
Receivables - EURO	**1,160,787**	**85,433,953**	514,956	38,698,923
Receivables - AUD	**889,259**	**44,098,380**	495,062	24,886,747
Receivables - GBP	**209,408**	**17,550,524**	60,461	5,491,089
Receivables - USD	**2,953,512**	**190,737,824**	1,690,591	114,148,673
Receivables - SGD	**331,298**	**15,551,092**	22,327	1,118,387
EEFC - USD	**8,101**	**523,187**	2,708	182,839
EEFC - GBP	**32,476**	**2,721,844**	3,757	341,208
EEFC - EURO	**2,418**	**177,935**	2,418	181,682

Notes to the financial statements

43 DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

Specified Bank Notes held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in table below:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	16,000	-	16,000
Add: Permitted Receipts	-	-	-
Less: Permitted Payments	-	-	-
Less: Amount deposited in banks	16,000	-	16,000
Closing cash in hand as on 30.12.2016	-	-	-

44 ACCOUNTING FOR PROPOSED DIVIDEND

As per the requirements of pre-revised Accounting Standard 4 (AS 4), the Company used to create a liability for dividend proposed / declared after the balance sheet date if dividend related to periods covered by the financial statements. Going forward, as per AS 4(R), the Company cannot create provision for dividend proposed / declared after the balance sheet date unless a statute requires otherwise. Rather, company will need to disclose the same in notes to the financial statements.

Accordingly, the Company has disclosed dividend proposed by Board of Directors after the balance sheet date in the notes.

Had the Company continued with creation of provision for proposed dividend, its surplus in the Statement of Profit and Loss would have been lower by ₹ 718,595,861 and short-term provision would have been higher by ₹ 718,595,861 (including dividend distribution tax of ₹ 121,545,421).

45 During the year, the Company has received Show Cause cum Demand notices on account of service tax demand amounting to ₹ 48,581,562 (excluding interest and penalty) by Service Tax authorities (Certain transactions were chargeable to tax under Reverse Charge Mechanism and Cenvat credit was not eligible for certain transactions) pertaining to financial year 2011-12 to 2014-15. The Company has filed reply to Show Cause cum Demand notices with the service tax authorities.

46 OTHER MATTERS

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

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Place : Mumbai
Date : 9th August 2017

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

Neela Bhattacherjee
Managing Director
DIN: 01912483

Sekhar Natarajan
Independent Director
DIN: 01031445

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 9th August 2017

FORM AOC - 1 (PART A)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

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

(All amounts in ₹)

Sr. No.	Name of the subsidiary	Kale Softech Inc	Zero Octa UK Limited
1	Reporting currency	USD	GBP
2	Exchange rate on the last date of the financial year	64.58	83.81
3	Financial year end on	30th June 2017	30th June 2017
4	Share capital	839,475	93,024
5	Reserves and surplus	117,302,392	128,367,471
6	Total assets	243,426,053	196,744,557
7	Total Liabilities	125,284,186	68,284,062
8	Investments	-	-
9	Turnover	888,894,248	301,906,758
10	Profit before taxation	48,878,174	28,630,470
11	Provision for taxation	19,730,310	5,676,699
12	Profit after taxation	29,147,864	22,953,770
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%

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

Neela Bhattacherjee
Managing Director
DIN: 01912483

Sekhar Natarajan
Independent Director
DIN: 01031445

Gurudas Shenoy
Chief Financial Officer

Ninad Umranikar
Company Secretary
ACS 14201

Place : Mumbai
Date : 9th August 2017

Shareholder Information

1. Annual General Meeting

Date and Time	-	Tuesday, 10th October, 2017 at 12.00 noon
Venue	-	Sumant Moolgaokar Auditorium, 'A Wing', Ground Floor, Mahratta Chamber of Commerce, Industries and Agriculture, Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune 411 016
Book Closure Dates	-	Saturday, 30th September, 2017 to Tuesday, 10th October, 2017 (both days inclusive)
Purpose	-	Dividend and Annual General Meeting

2. Registered Office Address

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

3. Listing Details

No. of securities listed - 1 to 14926261

Name, Address & Telephone Nos. of the Stock Exchanges	Scrip Code	Date of Listing	Listing fees For 2017-18
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Tel.: (022) 22721233 / 34	532268	November 16, 1999	Paid
National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Tel.: (022) 2659 8100 –14	ACCELYA	December 1, 1999	Paid

4. Share Transfer System

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

Break up of shareholding in physical and demat mode (As on 30th June, 2017)

Type of Holding	Percentage to Share Capital
Physical	1.03%
Dematerialized	98.97%
Total	**100.00%**

5. ISIN Numbers

NSDL:

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

CDSL:

ISIN No.
INE793A01012

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

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

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

Month	Kale Share Price (₹)		NSE S&P CNX Nifty	
	High	Low	High	Low
July, 2016	1,246.40	1,103.30	8,674.70	8,287.55
August, 2016	1,278.00	1,181.10	8,819.20	8,518.15
September, 2016	1,478.00	1,209.95	8,968.70	8,555.20
October, 2016	1,420.00	1,310.00	8,806.95	8,506.15
November, 2016	1,575.00	1,100.00	8,669.60	7,916.40
December, 2016	1,480.00	1,385.15	8,274.95	7,893.80
January, 2017	1,681.50	1,411.00	8,672.70	8,133.80
February, 2017	1,890.00	1,490.00	8,982.15	8,537.50
March, 2017	1,525.00	1,375.00	9,218.40	8,860.10
April, 2017	1,570.00	1,423.35	9,367.15	9,075.15
May, 2017	1,504.00	1,265.30	9,649.60	9,269.90
June, 2017	1,490.00	1,302.00	9,709.30	9,448.75

8. Distribution of Shareholding as on 30th June, 2017

Shareholding Range	No. of Shareholders	Percentage	Shareholding	Percentage
Up to 500	14,472	95.63	1,126,732	7.56
501 – 1000	321	2.12	247,088	1.66
1001 – 2000	181	1.20	258,622	1.71
2001 – 3000	58	0.38	148,644	1.08
3001 – 4000	23	0.15	79,767	0.50
4001 – 5000	19	0.13	85,571	0.48
5001 – 10000	34	0.22	236,142	1.67
10001 and above	25	0.17	12,743,695	85.29
TOTAL	**15,133**	**100.00**	**14,926,261**	**100.00**

9. Investor Complaints

During the year, the Company received 32 complaints all of which were resolved during the year and there were no complaints pending at the end of the year.

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

Stock Exchange	Date of Letter / Email
BSE Limited	01 July, 2016
National Stock Exchange of India Limited	01 July, 2016
BSE Limited	03 January, 2017
National Stock Exchange of India Limited	02 January, 2017
BSE Limited	05 April, 2017
National Stock Exchange of India Limited	05 April, 2017
BSE Limited	30 June, 2017
National Stock Exchange of India Limited	06 July, 2017

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

10. Financial Calendar

The tentative calendar of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 30th June, 2018 is as follows:

Quarter /Year ended	Month of approval of Financial Results
30th September, 2017	October / November, 2017
31st December, 2017	January / February, 2018
31st March, 2018	April / May, 2018
30th June, 2018	July / August, 2018

accelya

ACCELYA KALE SOLUTIONS LIMITED

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

NOTICE

NOTICE IS HEREBY GIVEN THAT the thirty first Annual General Meeting (AGM) of the members of Accelya Kale Solutions Limited (CIN: L74140PN1986PLC041033) will be held on Tuesday, the 10th day of October, 2017 at 12.00 noon at Sumant Moolgaokar Auditorium, 'A Wing', Ground Floor, Mahratta Chamber of Commerce, Industries and Agriculture, Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune 411 016, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the year ended 30th June, 2017, together with the Reports of the Directors and Auditors thereon.

2. To confirm payment of interim dividend and declare a final dividend on equity shares.

3. To appoint a Director in place of Mr. John Johnston (DIN : 07258586), who retires by rotation and being eligible, offers himself for re-appointment.

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, B S R & Co. LLP, Chartered Accountants, (Firm's Registration No. 101248W/W-100022), be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the 32nd AGM of the Company."

By the Order of the Board of Directors

Ninad Umranikar
Company Secretary
ACS : 14201

Place: Mumbai
Date: 9th August, 2017

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than 48 hours before the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.

2. The Register of Members and Transfer Books of the Company will be closed from Saturday, the 30th day of September, 2017 to Tuesday, the 10th day of October, 2017 (both days inclusive), for the purpose of dividend and AGM.

3. If the Final Dividend as recommended by the Board of Directors is approved at the AGM, payment of such dividend will be made on Wednesday 25th October, 2017 as under:

   a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Friday, the 29th day of September, 2017;

   b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Friday, the 29th day of September, 2017.

4. **Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Karvy Computershare Private Limited (Karvy) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Karvy.**

5. **MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO CONSIDER CONVERTING THEIR HOLDING TO DEMATERIALIZED FORM TO ELIMINATE ALL RISKS ASSOCIATED WITH PHYSICAL SHARES (LOSS OR MISPLACE OF SHARE CERTIFICATE). MEMBERS CAN CONTACT THE COMPANY OR KARVY FOR ASSISTANCE IN THIS REGARD.**

6. Members desiring any information as regards the accounts and operations of the Company are requested to send their queries to the Company, at least 10 days in advance, so as to enable the management to keep the information ready.

7. **Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Karvy. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per section 124 of the Companies Act, 2013 (section 205A of the ertswhile Companies Act, 1956) be transferred to the Investor Education Protection Fund.**

8. The Notice of the AGM along with the Annual Report for 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

9. **To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Karvy / Depositories.**

10. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder read with regulation 44 of the SEBI Listing Regulations, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy, on all resolutions set forth in this Notice.

    The instructions for e-voting are as under:

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

    i. Use the following URL for e-voting: https://evoting.karvy.com

    ii. Enter the login credentials i.e. user id and password mentioned in your email. Your Folio No. /DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing USER ID and password for casting your vote.

iii. After entering the details appropriately click on "LOGIN".

iv. You will reach the 'password change' menu wherein you are required to mandatorily change your password. The new password should comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.,). The system will prompt you to change your password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the EVENT i.e., **Accelya Kale Solutions Limited**.

vii. On the voting page, the number of shares (which represents the number of votes) as held by the member will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

ix. Cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. **Once you confirm, you will not be allowed to modify your vote subsequently.** During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

x. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.,) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through email info@napco.in. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name_EVENT No."

xi. The voting rights shall be as per the number of equity shares held by the members as on 3rd day of October, 2017 (cut-off date).

xii. Members who have acquired shares after the dispatch of the Annual Report but before the cut-off date may obtain the user ID and password by sending a request at **evoting@karvy.com** or mohsin.mohd@karvy.com

xiii. Remote e-voting facility where members can cast their vote online shall be open from: **7th October, 2017 (9.00 a.m.) till 9th October, 2017 (5.00 p.m.)**

xiv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of https://evoting.karvy.com or call Karvy Computershare Private Limited on 1800 345 4001 (toll free).

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

In case of Members whose email addresses are not registered with the Company/ Depository Participants, their User ID and initial password/ PIN is provided on the Attendance Slip being sent with the AGM Notice.

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

C. Other Instructions

i. The Board of Directors has appointed Mr. Nilesh A. Pradhan, Practicing Company Secretary (FCS No. 5445 CP No. 3659) as the Scrutinizer to scrutinize the e-voting process and voting at the venue of the Annual General Meeting in a fair and transparent manner.

ii. The Scrutinizer shall, after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and not later than three days from the conclusion of the meeting, prepare a consolidated scrutinizer's report and submit the same to the Chairman of the Company.

iii. The results declared along with the Scrutinizer's report shall be placed on the Company's website (www.accelyakale.com) and on the website of Karvy (http://evoting.karvy.com) and shall also be communicated to the stock exchanges. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. 10th October, 2017.

By the Order of the Board of Directors

Ninad Umranikar
Company Secretary
ACS : 14201

Place: Mumbai
Date: 9th August, 2017

REGISTRATION OF E – MAIL ADDRESS FORM

As per Rule 18 of the Companies (Management and Administration) Rules, 2014,

Karvy Computershare Private Limited
Unit : Accelya Kale Solutions Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda
Hyderabad - 500 032

I / We shareholder(s) of Accelya Kale Solutions Limited, hereby accord my / our approval to receive documents viz annual reports, notices of general meetings / postal ballot, other documents etc. in electronic mode.

I / We request you to note my / our latest email address, as mentioned below. If there is any change in the e–mail address, I / we will promptly communicate the same to you. I / We attach the self-attested copy of PAN Card / passport towards identification proof for the purpose of verification.

Folio No / DP ID and Client ID	
Name of first / sole share holder	
Name of joint share holder(s) if any	
Registered Address	
E-mail address (to be registered)	

Place:

Date :

_____
(Signature of shareholder)

This page is intentionally kept blank

accelya

ACCELYA KALE SOLUTIONS LIMITED

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

ECS Mandate Form for payment of Dividend

(In case of physical holding - send to our Registrar and Transfer Agent
In case of demat holding - send to your Depository Participant)

I/We request you to arrange for payment of my / our dividend through ECS facility by crediting the same to my / our bank account as per details given below:

1. First / Sole Shareholder's Name	
2. If shares not Dematerialised - Registered Folio No.	
3. If shares Dematerialised - DPID No. and Client ID No.	
4. * Particulars of Bank Account	
a. Bank Name	
b. Branch Name	
c. Address of the Branch	
d. 9 - digit MICR code number of the Bank and Branch as appearing on the MICR Cheque issued by the Bank.	
e. Account type	Savings ( ) Current ( )
f. Account Number as appearing on the Cheque Book	

* Please attach a cancelled photocopy of cheque issued by the Bank for verification of the above details.

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information or for any other reason, I/we would not hold the Company responsible or liable. In case of ECS facility not being available for any reason, the bank account details provided above may be incorporated in the payment instrument and sent to my/our Bankers at the address provided above and be considered as a mandate by me/us. This instruction will hold good for payment of dividend for subsequent years also unless revoked by me/us in writing.

Yours faithfully,

_____

Name and signature of First/Sole Shareholder

This page is intentionally kept blank

accelya

ACCELYA KALE SOLUTIONS LIMITED

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

Form No. MGT-11

PROXY FORM

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

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

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

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

as my / our proxy to attend and vote (on a poll) for me / us on my / our behalf at the 31st Annual General Meeting of the Company to be held on the 10th October, 2017 at 12.00 noon at Sumant Moolgaokar Auditorium, 'A Wing', Ground Floor, Mahratta Chamber of Commerce, Industries and Agriculture, Trade Tower, ICC Complex, 403, Senapati Bapat Road, Pune 411 016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of audited financial statements (including audited consolidated financial statements) for the year ended 30th June, 2017 and the Directors' and Auditors' Report (Ordinary Resolution)
2. Confirmation of payment of interim dividend and declaration of final dividend (Ordinary Resolution)
3. Re-appointment of Mr. John Johnston as Director of the Company, liable to retire by rotation (Ordinary Resolution)
4. Appointment of Statutory Auditors (Ordinary Resolution)

Signed this _____ day of_____ 2017

Affix Revenue Stamp

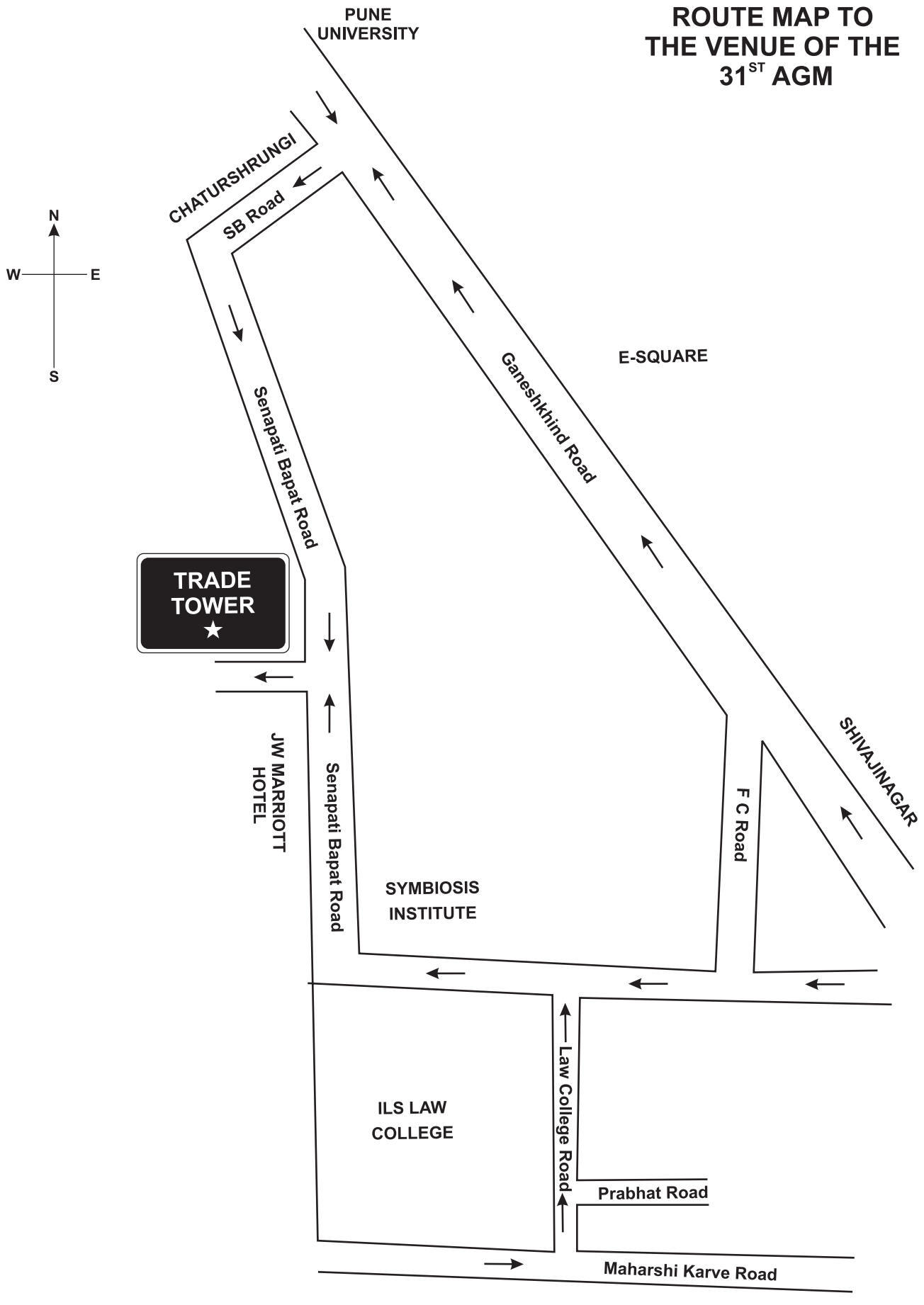
Signature of shareholder : _____

Signature of Proxy holder(s) : _____

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

This page is intentionally kept blank

ROUTE MAP TO THE VENUE OF THE 31ST AGM



This page is intentionally kept blank

NOTES

NOTES



Registered Office:

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

Tel: +91 20 66083777
Fax: +91 20 24231639
E-mail: accelyakale.investors@accelya.com
www.accelyakale.com
CIN: L74140PN1986PLC041033

accelya