

OCTAWARE TECHNOLOGIES PRIVATE LIMITED

BOARD OF DIRECTORS

Mohammed Aslam Khan
Sajid Iqbal Abdul Hameed
Mohammed Siraj Gunwan

EIGHT ANNUAL REPORT

&

ACCOUNTS
2012 - 2013

REGISTERED OFFICE

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

ASHOK K. SURANA & ASSOCIATES
CHARTERED ACCOUNTANTS

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

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Andheri (East), **Mumbai - 400 069.**
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AUDITORS' REPORT

**TO THE MEMBERS OF
OCTAWARE TECHNOLOGIES PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of **Octaware Technologies Private Limited** as at 31st March, 2013 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books & records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report are in compliance with the Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956, in so far as they apply to the Company.



- e) On the basis of the written representation received from the directors, as on 31st March, 2013 and taken on record by the Board of Directors of the Company, none of the directors is disqualified from being appointed as a director under section 274(1)(g) of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to explanations given to us, the Balance Sheet and Profit and Loss Account together with the notes thereon and annexed thereto, give in the prescribed manner, the information required by the Companies Act, 1956, in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013; and
- (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

Place: Mumbai
Date : 29-07-2013



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

Proprietor
Name:- Ashok Surana
M. No.:- 044664

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Annexure to the Auditors' Report
(Referred to in paragraph (3) of our report of even date)

TO THE MEMBERS OF
OCTAWARE TECHNOLOGIES PRIVATE LIMITED

- 1) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and location of the fixed assets.
 - b) We have been informed by the Management that a physical verification of fixed assets was conducted during the year and no material discrepancies were noticed on such verification.
 - c) The Company has not disposed off any fixed assets during the year and accordingly the question of going concern status being affected does not arise.
- 2) The Company is engaged in the business of providing software services. The Company does not hold any inventory and accordingly sub clauses (a) to (c) of Paragraph 4 (ii) of the Order are not applicable to the Company.
- 3) The Company has not granted or taken any secured or unsecured loans, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub clauses (a) to (g) of Paragraph 4 (iii) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and for sale of services. Further, on the basis of our examination of the books & the records of the company, and according to the information & explanation given to us, we have neither come across nor have been informed of any major weaknesses in the aforesaid internal control system. The activities of the Company did not involve purchase of inventory or sale of goods.
- 5) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements that needed to be entered into the register have been so entered.
 - (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (5)(a) above with any party during the year have been made at prices which are reasonable having regards to the prevailing market prices at the relevant time.



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- 6) The Company has not accepted deposits from the public. Accordingly, paragraph 4(vi) of the Order is not applicable
 - 7) In our opinion, the company has an internal audit system commensurate with its size & nature of its business.
 - 8) According to the information given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956. Accordingly, paragraph 4(viii) of the Order is not applicable
 - 9) In respect of Statutory and other dues:
 - a) The Company is generally regular in depositing the undisputed statutory dues including income tax, tax deduction at source (other than Salary), provident fund payable on regular monthly salary and other material statutory dues as applicable with appropriate authorities
 - b) According to the information and explanations given to us, no undisputed amounts in respect of income tax or other statutory dues as applicable were in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of income tax, custom duty and excise duty, service tax, provident fund and cess which have not been deposited on account of any dispute.
 - 10) The company does not have any accumulated loss at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
 - 11) In our opinion and according to the information and explanations given to us, the Company has not borrowed from any financial institution, bank or debenture holder. Accordingly, paragraph 4(xi) of the Order is not applicable to the Company.
 - 12) According to the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, paragraph 4(xii) of the Order is not applicable
 - 13) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Paragraph 4 (xiii) of the Order are not applicable.
 - 14) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Order are not applicable.
 - 15) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of Clause 4 (xv) of the Order are not applicable.



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- 16) In our opinion and according to the information and explanations given to us, the Company has not obtained term loans during the year. Accordingly, the provisions of Clause 4 (xvi) of the Order are not applicable.
 - 17) The Company has not raised any funds on short term basis. Accordingly, paragraph 4(xvii) of the Order is not applicable.
 - 18) The company has not made preferential allotment of shares to parties and companies covered in register maintained under Section 301 of the Companies Act, 1956 and hence the provisions of clause 4 (xviii) of the Order are not applicable.
 - 19) The Company has not issued any debenture during the year. Accordingly, the provisions of clause 4 (xix) of the Order are not applicable.
 - 20) The Company has not raised monies by public issues. Accordingly, the provisions of clause 4 (xx) of the Order are not applicable.
 - 21) According to the information and explanations given to us by the management and audit procedures performed, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Mumbai
Date : 29-07-2013



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

Proprietor
Name:- Ashok Surana
M. No.:- 044664

OCTAWARE TECHNOLOGIES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2013

PARTICULARS	NOTE NO	AS AT 31 ST MARCH 2013		AS AT 31 ST MARCH 2012	
EQUITY & LIABILITIES					
Shareholders' Funds					
Share Capital	3	2,00,000		1,00,000	
Reserves & Surplus	4	<u>2,80,01,289</u>	2,82,01,289	<u>2,45,70,979</u>	2,46,70,979
Current Liabilities					
Trade Payables	5	11,75,650		16,07,243	
Other Current Liabilities	6	14,47,042		12,15,758	
Short Term Provisions	7	<u>1,67,261</u>	27,89,953	<u>1,67,261</u>	29,90,262
TOTAL			<u>3,09,91,242</u>		<u>2,76,61,241</u>
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	8	13,38,950		19,06,557	
Intangible Assets	8	2,66,394		53,514	
Capital Work-In-Progress	8	-		-	
Deferred Tax Asset (Net)	9	-		-	
Long Term Loans and Advances	10	<u>29,49,558</u>	45,54,902	<u>32,59,936</u>	52,20,007
Current Assets					
Trade Receivables	11	1,98,46,592		1,60,14,892	
Cash & Bank Balances	12	53,15,064		51,78,111	
Short Term Loans and Advances	13	<u>12,74,684</u>	2,64,36,340	<u>12,48,231</u>	2,24,41,234
TOTAL			<u>3,09,91,242</u>		<u>2,76,61,241</u>
Significant Accounting Policies					
Notes on Financial Statements					
1 TO 24					

As per our Report of even date

For and on behalf of the Board

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

For Octaware Technologies Private Limited

Ashok Surana
Proprietor
M.No.044664



Sajid Iqbal Abdul Hameed
Director

Mohammed Aslam Khan
Director

Date:- 29-07-2013
Place:- Mumbai



Date:- 29-07-2013
Place: Mumbai

Date:- 29-07-2013
Place: Mumbai

OCTAWARE TECHNOLOGIES PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	NOTE NO	2012-13	2011-12
INCOME			
Revenue from Operations	14	2,99,16,232	2,90,08,812
Other Income/ (Loss)	15	(2,88,210)	2,38,448
Total Revenue		2,96,28,022	2,92,47,260
EXPENDITURE			
Employee Benefits Expense	16	80,91,337	1,19,52,290
Depreciation and Amortisation Expense	8	9,63,732	13,28,641
Finance Costs	17	-	-
Other Expenses	18	1,60,58,825	1,28,37,061
Total Expenses		2,51,13,894	2,61,17,992
Profit Before Tax		45,14,128	31,29,268
Tax Expenses			
Current Tax		10,83,818	10,71,920
Less - MAT Credit Entitlement		-	-
Deferred Tax		-	-
Adjustments for Income Tax in respect of earlier years (Net)		-	1,88,528
Profit for the year		34,30,310	18,68,820
Earnings per equity share of face value of Rs 10 each			
Basic	19	171.52	186.88
Diluted		171.52	186.88
Significant Accounting Policies			
Notes on Financial Statements	1 TO 24		

As per our Report of even date

For and on behalf of the Board

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

For Octaware Technologies Private Limited

Ashok Surana
Proprietor
M.No.044664



Date:- 29-07-2013
Place:- Mumbai

Sajid Iqbal Abdul Hameed
Director

Mohammed Aslam Khan
Director

Date:- 29-07-2013
Place: Mumbai



Date:- 29-07-2013
Place: Mumbai

OCTAWARE TECHNOLOGIES PRIVATE LIMITED
Notes forming part of the financial statements

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



F. Foreign Currency Transactions

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

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

Non-monetary foreign currency items are carried at cost.

G. Retirement Benefits

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

Post employment benefits:

Defined Contribution Plans:

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

Long Term Employee Benefits:

Defined Benefit Plans:

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

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

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

H. Leases

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

Operating lease

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

I. Provisions For Taxation

Tax expense comprises both current and deferred taxes.

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

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



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

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

J. Impairment of Assets

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

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

K. Provisions, Contingent Liabilities and Contingent Assets

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

No Provision is recognized for:

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

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

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

L. Other Accounting Policies

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



OCTAWARE TECHNOLOGIES PRIVATE LIMITED**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

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

3 SHARE CAPITAL

	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Authorised Share Capital: 20,000 Equity Shares of Rs 10 each	2,00,000	2,00,000
	<u>2,00,000</u>	<u>2,00,000</u>
Issued, Subscribed and Paid up: 20,000 Equity Shares of Rs 10 each, fully paid up (10000 Share of Rs. 10 each issued during the year)	2,00,000	1,00,000
	<u>2,00,000</u>	<u>1,00,000</u>

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

	Name of the Shareholder	AS AT 31ST MARCH 2013		AS AT 31ST MARCH 2012	
		No. of Shares	% held	No. of Shares	% held
a	Mohd Aslam Qudratullah Khan	7,000	35%	5,000.00	50%
b	Sajid Iqbal Abdul Hameed	5,000	25%	5,000.00	50%
c	Mohammed Siraj Gunwan	3,200	16%	-	0%
d	Shahnawaz Ajazuddin Shaikh	2,400	12%	-	0%
e	Mirza Haroon Baig	2,400	12%	-	0%

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

Particulars	AS AT 31ST MARCH 2013 No. of Shares	AS AT 31ST MARCH 2012 No. of Shares
Equity Shares at the beginning of the year	10,000	10,000
Add : Shares issued	10,000	-
Less : Shares cancelled	-	-
Equity Shares at the end of the year	<u>20,000</u>	<u>10,000</u>



4 RESERVES AND SURPLUS

	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Profit and Loss Account		
As per last Balance Sheet	2,45,70,979	2,27,02,159
Add: Profit for the year	34,30,310	18,68,820
	2,80,01,289	2,45,70,979
Less: Appropriations	-	-
	2,80,01,289	2,45,70,979
TOTAL	2,80,01,289	2,45,70,979

5 TRADE PAYABLES

	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Micro, Small and Medium Enterprises	-	-
Others	11,75,650	16,07,243
TOTAL	11,75,650	16,07,243

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

6 OTHER CURRENT LIABILITIES

	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Salary payable to employees	6,23,022	5,60,227
Creditors for Expenses	5,42,226	3,17,397
Duties & Taxes Payable	2,81,794	3,38,134
TOTAL	14,47,042	12,15,758

7 SHORT TERM PROVISIONS

	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Provision for Employee Benefits	1,67,261	1,67,261
TOTAL	1,67,261	1,67,261



8 FIXED ASSETS

Description	Gross Block				Depreciation / Amortisation			Net Block		
	As at 4/1/2012	Additions	Deductions/ Adjustments	As at 3/31/2013	As at 4/1/2012	For the Year	Deductions/ Adjustments	Upto 3/31/2013	As at 3/31/2013	As at 3/30/2012
A TANGIBLE ASSETS : OWN ASSETS : Office Equipments Computers Furniture & Fixtures TOTAL (A)										
	9,52,552	53,455	-	10,06,007	3,36,244	90,794	-	4,27,038	5,78,969	6,16,308
	45,92,195	-	-	45,92,195	38,80,052	4,25,631	-	43,05,683	2,86,512	7,12,143
	16,29,523	-	-	16,29,523	10,51,417	1,04,637	-	11,56,054	4,73,469	5,78,106
	71,74,270	53,455	-	72,27,725	52,67,713	6,21,062	-	58,88,775	13,38,950	19,06,557
B INTANGIBLE ASSETS : Software TOTAL (B) TOTAL (A+B) Previous Year										
	4,64,388	5,55,550	-	10,19,938	4,10,874	3,42,670	-	7,53,544	2,66,394	53,514
	4,64,388	5,55,550	-	10,19,938	4,10,874	3,42,670	-	7,53,544	2,66,394	53,514
	76,38,658	6,09,005	-	82,47,663	56,78,587	9,63,732	-	66,42,319	16,05,344	19,60,071
	69,93,330	6,45,328	-	76,38,658	43,49,946	13,28,641	-	56,78,587	19,60,071	26,43,384



B

9 DEFERRED TAX ASSET (Net)

Deferred tax asset amounting to Rs. 1,44,080 (Previous year Rs. 157,769) arising on account of depreciation & gratuity provision has not been recognized in the books on the ground of prudence. It would be accounted for in the subsequent year / years considering the requirements of the Accounting Standard (AS-22) regarding reasonable / virtual certainty and the accounting policy followed by the company in this respect.

10 LONG TERM LOANS AND ADVANCES

	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
(Unsecured and Considered Good)		
Advance Income Tax (Net of Provision) (Includes MAT credit entitlement)	27,72,078	28,07,551
Rental Deposits	1,38,000	3,88,000
Electricity & Other Deposits	14,480	14,480
Deposit with Sales Tax Authorities	25,000	25,000
Service Tax Credit Receivable	-	24,905
TOTAL	29,49,558	32,59,936

11 TRADE RECEIVABLES

	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Unsecured and Considered Good -		
Over 6 months	62,52,919	1,31,486
Others	1,35,93,673	1,58,83,406
TOTAL	1,98,46,592	1,60,14,892

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

12 CASH & BANK BALANCES

	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Cash on Hand	1,04,567	51,841
Balance with Banks	46,94,338	51,20,259
Fixed deposits with banks*	5,16,159	6,011
TOTAL	53,15,064	51,78,111

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

13 SHORT TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Advance to Employees	1,27,920	38,170
Loan given to Mr Haroon Baig, Consultant	11,00,000	11,00,000
Advance Receivable in Cash or kind or for value to to be received	46,764	1,10,061
TOTAL	12,74,684	12,48,231



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14 REVENUE FROM OPERATIONS

	2012-13	2011-12
Income from Software Development Services -		
- Export	2,93,96,748	2,78,61,047
- Domestic	5,19,484	11,47,765
TOTAL	2,99,16,232	2,90,08,812

15 OTHER INCOME

	2012-13	2011-12
Interest Income		
Interest on bank deposits	51,780	2,011
Gain / (Loss) on Foreign Currency Transactions	(3,39,990)	2,36,437
TOTAL	(2,88,210)	2,38,448

16 EMPLOYEE BENEFITS EXPENSE

	2012-13	2011-12
Salaries and Wages	76,64,626	1,11,11,540
Contribution to Provident and Other Funds	3,26,634	4,28,387
Staff Welfare Expenses	1,00,077	4,12,363
TOTAL	80,91,337	1,19,52,290

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

Defined Contribution Plans

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

	2012-13	2011-12
Employer's Contribution to Provident Fund	3,25,626	4,71,972
Employer's Contribution to Labour Welfare Fund	1,008	3,600

Defined Benefit Plan

Actuarial gains and losses in respect of defined benefit plans are recognised in the Profit and Loss Account.

The defined benefit plan comprise of Gratuity.

The Company provides for its liability towards gratuity as per independent actuarial valuation.

Amount recognized as an expense in the Profit and Loss Account in respect of gratuity liability is as under :

	2012-13	2011-12
Gratuity Expenses	0	(47,185)

17 FINANCE COSTS

	2012-13	2011-12
Interest on delayed payment of Taxes	-	-
TOTAL	-	-



18 OTHER EXPENSES

16

	2012-13	2011-12
Power and fuel	8,53,449	7,22,540
Lease rentals on assets	12,41,237	11,48,347
Repairs to -		
- Computers	1,52,073	72,135
- Building & Others	1,23,117	1,18,065
Technical Fees (Consultant Charges)	66,57,235	58,21,036
Rates & Taxes	4,000	1,10,221
ROC fee	3,000	3,190
Travelling and conveyance expenses	3,82,588	16,94,975
Donation	-	25,000
Software License & Development Fees	51,937	12,554
Foreign Travel Expenses	28,57,255	11,88,242
Telephone & Internet expenses	4,79,841	5,76,232
Postage	15,093	10,500
Housekeeping Expenses	74,093	65,262
Penalty	5,000	2,000
Security Charges	-	10,500
Membership Fees	3,01,030	4,93,838
Legal and professional charges (Refer Note 18.1 for Details)	9,94,133	5,06,864
Entertainment & Hotelling Expenses	1,12,536	14,129
Bank Charges	29,485	70,180
Printing & Stationery	94,546	93,194
Miscellaneous expenses	1,06,638	78,057
R&D Expenses	10,57,777	-
Seminar Fees	2,21,188	-
Management Training	2,41,574	-
TOTAL	1,60,58,825	1,28,37,061

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

	2012-13	2011-12
(a) Auditor - Statutory Audit Fees	60,000	44,944
(b) For Tax matters	30,000	22,472
(b) For Other Services	46,000	16,854
TOTAL	1,36,000	84,270

18.2 Expenditure in Foreign Currency

	2012-13	2011-12
Foreign Travel Expenses	16,09,540	11,84,954
Seminar Fees	2,24,631	-
Internet & Domain Registration Charges	8,699	36,562
Technical Know How Fees	4,36,066	-
Legal / Professional fees	4,02,124	-
TOTAL	26,81,060	12,21,516



19 EARNINGS PER SHARE (EPS)

	2012-13	2011-12
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs)	34,30,310	18,68,820
Weighted Average number of equity shares used as denominator for calculating EPS	20,000	10,000
Basic Earnings per share (Rs)	171.52	186.88
Diluted Earnings per share (Rs)	171.52	186.88
Face Value per equity share (Rs)	10	10

20 EARNINGS IN FOREIGN EXCHANGE

	2012-13	2011-12
Service Income	2,93,96,748	2,78,61,047
TOTAL	2,93,96,748	2,78,61,047

- 21 The Company does not use forward exchange contracts to hedge its foreign exchange exposure as at March 31, 2013. The Company had following foreign exchange exposures which were not hedged by derivative instrument or otherwise –

Particulars	Foreign Currency	2012-13		2011-12	
		Amount in Forex	Amount in Rs.	Amount in Forex	Amount in Rs.
Sundry Debtors	USD	86,456	46,96,223	1,88,027	97,49,595
Sundry Debtors	SGD	27,346	12,00,238	22,408	9,24,073
Sundry Debtors	QAR	7,90,453	1,17,37,818	8,260	1,17,546
Sundry Debtors	SAR	1,20,919	17,40,351	3,77,260	52,15,393

22 RELATED PARTY DISCLOSURES

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

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

Name of the Related Party	Relationship
Sajid Hameed Shaikh	Director (Key Management Personnel)
Aslam Mohammed Khan	Director (Key Management Personnel)
Mohammed Siraj Gunwan	Director (Key Management Personnel)
Nazia Sajid Hameed	Director's Relative
Rehana Khan	Director's Relative
Abdul Hameed Shaikh	Director's Relative



II Transactions during the year with related parties :

Name of the Related Party	Nature of transactions	For 2012-13		For 2011-12	
		Value of transactions Rs	Closing Balance as on March 31, 2013*	Value of transactions Rs	Closing Balance as on March 31, 2012*
Sajid Hameed Shaikh	Consultant Fees	8,88,000	(30,000)	9,35,000	2,61,250
Nazia Sajid Hameed	Office Rent payment	1,79,880	4,990	1,48,353	68,398
Aslam Mohammed Khan	Consultant Fees	9,92,000	(1,82,036)	10,49,000	9,000
Mohammed Siraj Gunwan	Consultant Fees	10,31,803	50,580	6,74,400	2,79,890
	Office Rent	1,33,440	11,120	1,33,440	
Rehana Khan	Office Rent Payment	2,24,376	18,698	2,49,312	1,30,886
Abdul Hameed Shaikh	Guest House Rent	1,40,400	11,700	1,17,000	58,500

*Closing balance in bracket represents amount receivable by the Company

- 23 The Company has taken office premises at Pune and Mumbai locations & guest house at Mumbai on operating lease. Lease payments recognised in Profit & Loss A/c for the year is Rs 1,207,437 (previous year Rs 976,109)

24 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Capital Advances of Rs Nil (previous year Rs 346,968))	-	-
Other Commitments		
	-	-

As per our Report of even date

For Ashok K. Surana & Associates
Chartered Accountants

Ashok Surana
Proprietor
M.No.044664

Date:- 29-07-2013
Place:- Mumbai



For and on behalf of the Board

For Octaware Technologies Private Limited

Sajid Iqbal Abdul Hameed
Director

Mohammed Aslam Khan
Director

Date:- 29-07-2013
Place: Mumbai

Date:- 29-07-2013
Place: Mumbai

