OCTAWARE TECHNOLOGIES LIMITED.

BOARD OF DIRECTORS

Mr. MOHAMMED ASLAM KHAN
Mr. SAJID IQBAL ABDUL HAMEED
Mr. MOHAMMED SIRAJ M. GUNWAN

ELEVENTH ANNUAL REPORT

&

ACCOUNTS

2015 - 2016

REGISTERED OFFICE
204, TIMMY ARCADE,
MAKWANA ROAD,
MAROL, ANDHERI (EAST),
MUMBAI – 400 059.

ASHOK K. SURANA & ASSOCIATES
CHARTERED ACCOUNTANTS

Tel. : 2683 3160
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ASHOK K. SURANA
B.Com., F.C.A.

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

INDEPENDENT AUDITOR'S REPORT

To the Members of
Octaware Technologies Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Octaware Technologies Limited**, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

ASHOK K. SURANA & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016, its **Profit** and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

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

c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014

ASHOK K. SURANA & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Annexure referred to in our Report of even date to the members of "Octaware Technologies Limited" on the accounts of the Company for the year ended 31st March, 2016

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

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

(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

ii. (a) The Physical verification of inventories have been conducted at reasonable intervals by the management;

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management reasonable and adequate in relation to size of the Company and the nature of its business.

(c) Company is maintaining proper records of Inventory and no material discrepancies found during the year.

iii. The Company has not granted any secured or unsecured loans, to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported.

v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013

vi. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act

vii. (a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, 'Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at March 31, 2016 for a period of more than six months from the date they became payable.

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

viii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.

ix. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

x. In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank during the year and did not have any amount outstanding to financial institutions or debenture holders during the year.

xi. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year.

xii. In our opinion, and according to the information and explanations given to us, the Company has applied the term loans raised for the purpose for which the loans were obtained.

xiii. During the course of our examination of the books and records of the Company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of any material fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

For Ashok K. Surana & Associates
Chartered Accountants

Ashok Surana
Proprietor
Membership No. 044664

Place : Mumbai
Date : 1st September, 2016.

OCTAWARE TECHNOLOGIES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2016

PARTICULARS	NOTE NO	AS AT 31ST MARCH 2016		AS AT 31ST MARCH 2015	
EQUITY & LIABILITIES					
Shareholders' Funds					
Share Capital	3	3,07,50,000		3,04,50,000	
Reserves & Surplus	4	2,18,46,914	5,25,96,914	1,48,54,626	4,53,04,626
Current Liabilities					
Short Term Borrowings		NIL		NIL	
Trade Payables	5	4,05,259		4,22,775	
Other Current Liabilities	6	6,47,925		9,21,589	
Short Term Provisions	7	1,67,261	12,20,445	1,67,261	15,11,625
TOTAL			**5,38,17,359**		**4,68,16,251**
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	8	22,22,389		11,12,422	
Intangible Assets	8	34,31,203		42,623	
Non-Current Investments	9	1,79,39,987		1,74,39,987	
Deferred Tax Asset (Net)	9A	-		-	
Long Term Loans and Advances	10	55,43,153	2,91,36,732	24,32,443	2,10,27,475
Current Assets					
Current Investments		-		-	
Inventories		-		-	
Trade Receivables	11	2,17,62,553		2,23,31,195	
Cash & Bank Balances	12	15,44,245		20,50,542	
Short Term Loans and Advances	13	13,73,829		14,07,039	
Other Current Assets		-	2,46,80,627	-	2,57,88,776
TOTAL			**5,38,17,359**		**4,68,16,251**
Significant Accounting Policies					
Notes on Financial Statements	1 TO 24				

As per our Report of even date

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

Ashok Surana
Proprietor
M.No.044664

Date:- 01.09.2016
Place:- Mumbai

For and on behalf of the Board

For Octaware Technologies Limited

Mohammed Siraj Gunwan
Director

Date:- 01.09.2016
Place: Mumbai

Mohammed Aslam Khan
Director

Date:- 01.09.2016
Place: Mumbai

OCTAWARE TECHNOLOGIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	NOTE NO	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
INCOME			
Revenue from Operations	14	2,33,39,846	3,28,17,863
Other Income/ (Loss)	15	(46,506)	(2,78,716)
Total Revenue		2,32,93,340	3,25,39,147
EXPENDITURE			
Employee Benefits Expense	16	53,16,696	97,25,714
Depreciation and Amortisation Expense	8	9,00,172	3,76,058
Finance Costs	17	NIL	NIL
Other Expenses	18	1,15,84,184	1,30,09,917
Total Expenses		1,78,01,052	2,31,11,689
Profit Before Tax		**54,92,288**	**94,27,458**
Tax Expenses			
Current Tax		12,00,000	18,00,000
Deferred Tax		-	-
Adjustments for Income Tax in respect of earlier years (Net)		-	-
Profit for the year		**42,92,288**	**76,27,458**
Earnings per equity share of face value of Rs 10 each	19		
Basic		1.40	0.25
Diluted		1.40	0.25
Significant Accounting Policies			
Notes on Financial Statements	1 TO 24		

As per our Report of even date

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

Ashok Surana
Proprietor
M.No.044664

Date:- 01.09.2016
Place:- Mumbai

For and on behalf of the Board

For Octaware Technologies Limited

Mohammed Siraj Gunwan
Director

Date:- 01.09.2016
Place: Mumbai

Mohammed Aslam Khan
Director

Date:- 01.09.2016
Place: Mumbai

OCTAWARE TECHNOLOGIES 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, Unit 2 – in Pune, catering to domestic market and it also serves as training centre. The Company has setup a 100% (WOS) Company i) OCTAWARE GULF FZE at Dubai. ii) OCTAWARE INFORMATION TECHNOLOGIES PRIVATE LIMITED at SEZ Andheri (East), Mumbai.
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 2013 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. 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.

ASHOK K. SURANA & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

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.

ASHOK K. SURANA & ASSOCIATES CHARTERED ACCOUNTANTS * MUMBAI *

OCTAWARE TECHNOLOGIES LIMITED
Notes forming part of the financial statements

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

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

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

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

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

No Provision is recognized for:

a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or

b) Any present obligation that arises from past events but is not recognized because-
i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
ii. A reliable estimate of the amount of obligation cannot be made.

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

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

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

ASHOK K. SURANA & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

OCTAWARE TECHNOLOGIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

3 SHARE CAPITAL

	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
Authorised Share Capital:		
42,00,000 Equity Shares of Rs 10 each (Previous year 3,50,00,000 Equity Share of Rs. 1/- each)	4,20,00,000	3,50,00,000
	4,20,00,000	3,50,00,000
Issued, Subscribed and Paid up:		
30,45,000 Equity Shares of Rs 10 each, fully paid up	3,04,50,000	2,03,00,000
30,000 Equity Shares of Rs. 10/- each issued during the Year)	3,00,000	1,01,50,000
(Previous Year 3,04,50,000 Equity Share of Rs. 1/- each)		
	3,07,50,000	3,04,50,000

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

	Name of the Shareholder	AS AT 31ST MARCH 2016		AS AT 31ST MARCH 2015	
		No. of Shares	% held	No. of Shares	% held
a	Mohd Aslam Qudratullah Khan	13,19,077	42.90	1,06,05,245	34.83
b	Sajid Iqbal Abdul Hameed	7,84,681	25.52	75,75,320	24.88
c	Mohammed Siraj Gunwan	3,33,018	10.83	48,47,880	15.92
d	Shahnawaz Ajazuddin Shaikh	2,54,573	8.28	36,35,910	11.94
e	Mirza Haroon Baig	1,79,451	5.84	36,35,910	11.94

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

Particulars	AS AT 31ST MARCH 2016 No. of Shares	AS AT 31ST MARCH 2015 No. of Shares
Equity Shares at the beginning of the year	30,45,000	2,03,00,000
Add : Shares issued	30,000	-
Less : Shares cancelled	-	-
Add : Bonus Share Issued	-	1,01,50,000
Equity Shares at the end of the year	30,75,000	3,04,50,000

ASHOK K. SURANA & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

4 **RESERVES AND SURPLUS**

	AS AT 31ST MARCH 2016		AS AT 31ST MARCH 2015	
Profit and Loss Appropriation A/c.				
As per last Balance Sheet	1,29,54,626		1,54,77,168	
Add: Profit for the year	42,92,288		76,27,458	
	1,72,46,914		2,31,04,626	
Less: Appropriations Bonus Shares Issued	-	1,72,46,914	1,01,50,000	1,29,54,626
Share Premium A/c.		46,00,000		19,00,000
TOTAL		**2,18,46,914**		**1,48,54,626**

5 **TRADE PAYABLES**

	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
Micro, Small and Medium Enterprises	-	-
Others	4,05,259	4,22,775
TOTAL	**4,05,259**	**4,22,775**

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 2016	AS AT 31ST MARCH 2015
Salary payable to employees	3,19,580	1,14,306
Creditors for Expenses	1,75,340	5,98,773
Duties & Taxes Payable	1,53,005	2,08,510
TOTAL	**6,47,925**	**9,21,589**

7 **SHORT TERM PROVISIONS**

	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
Provision for Employee Benefits	1,67,261	1,67,261
TOTAL	**1,67,261**	**1,67,261**

9 **NON CURRENT ASSETS**

	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
Investments in Equity Shares of Subsidiary Company		
Un-Quoted Fully Paid Up - Octaware Gulf FZE	16,01,697	16,01,697
Investments in Equity Shares of Subsidiary Company		
Un-Quoted Fully Paid Up - Octaware Information Technologies Private Limited	1,58,38,290	1,58,38,290
Un-Quoted Fully Paid Up - Transapact Enterprises Pvt Ltd.	5,00,000	-
TOTAL	**1,79,39,987**	**1,74,39,987**

ASHOK K. SURANA & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

OCTAWARE TECHNOLOGIES LIMITED

Notes forming part of the financial statements

8 FIXED ASSETS

	Description	Gross Block				Depreciation / Amortisation				Net Block	
		As at 01.04.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	As at 01.04.2015	For the Year	Deductions/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 01.04.2015
A	TANGIBLE ASSETS :										
	OWN ASSETS :										
	Office Equipments	10,53,566	24,500	-	10,78,066	5,89,337	2,29,069	-	8,18,406	2,59,660	4,64,229
	Computers	49,65,537	3,37,699	-	53,03,236	46,34,929	2,12,949	-	48,47,878	4,55,358	3,30,608
	Furniture & Fixtures	16,38,023	4,36,520	-	20,74,543	13,20,439	2,02,478	-	15,22,917	5,51,626	3,17,584
	Office Premises	-	-	-	-	-	-	-	-	-	-
	Vehicle	-	12,00,000		12,00,000	-	2,44,256	-	2,44,256	9,55,744	-
	TOTAL (A)	**76,57,126**	**19,98,719**	**-**	**96,55,845**	**65,44,704**	**8,88,752**	**-**	**74,33,456**	**22,22,389**	**11,12,422**
B	INTANGIBLE ASSETS :										
	Software	10,19,938	-	-	10,19,938	9,77,315	11,420	-	9,88,735	31,203	42,623
	WIP	-	34,00,000	-	34,00,000	-		-	-	34,00,000	-
	TOTAL (B)	**10,19,938**	**34,00,000**	**-**	**44,19,938**	**9,77,315**	**11,420**	**-**	**9,88,735**	**34,31,203**	**42,623**
	TOTAL (A+B)	**86,77,064**	**53,98,719**	**-**	**1,40,75,783**	**75,22,019**	**9,00,172**	**-**	**84,22,191**	**56,53,592**	**11,55,045**
	Previous Year	2,41,33,512	3,81,842	1,58,38,290	86,77,064	71,45,962	3,76,058	-	75,22,019	11,55,045	1,69,87,550

ASHOK K. SURANA & ASSOCIATES * MUMBAI * CHARTERED ACCOUNTANTS

9A DEFERRED TAX ASSET (Net)

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

10 LONG TERM LOANS AND ADVANCES

	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
(Unsecured and Considered Good)		
Advance Income Tax (Net of Provision)	26,07,689	20,77,115
Electricity & Other Deposits	8,24,856	24,856
Deposit with Sales Tax Authorities	25,000	25,000
Prelimanary Expenses	20,85,608	3,05,472
TOTAL	**55,43,153**	**24,32,443**

11 TRADE RECEIVABLES

	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
Unsecured and Considered Good -		
Over 6 months	1,17,39,587	1,17,42,216
Others	1,00,22,966	1,05,88,979
TOTAL	**2,17,62,553**	**2,23,31,195**

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 2016	AS AT 31ST MARCH 2015
Cash on Hand	2,68,828	2,32,324
Balance with Banks	12,75,417	12,69,525
Fixed deposits with banks*	-	5,48,693
TOTAL	**15,44,245**	**20,50,542**

* 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 2016	AS AT 31ST MARCH 2015
Loans & Advance to Employees	11,30,000	11,70,000
Advance Receivable in Cash or kind or for value to to be received	2,43,829	2,37,039
TOTAL	**13,73,829**	**14,07,039**

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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

14 REVENUE FROM OPERATIONS

	31/03/2016	31/3/2015
Income from Software Development Services -		
- Export	1,55,94,797	3,03,61,238
- Domestic	77,45,049	24,56,625
TOTAL	2,33,39,846	3,28,17,863

15 OTHER INCOME

	31/03/2016	31/3/2015
Interest Income		
Interest on bank deposits	5,645	42,942
Interest on Income Tax Refund	-	14,108
Gain / (Loss) on Foreign Currency Transactions	(52,151)	(3,35,766)
TOTAL	(46,506)	(2,78,716)

16 EMPLOYEE BENEFITS EXPENSE

	31/03/2016	31/3/2015
Salaries and Wages	48,49,372	92,27,842
Contribution to Provident and Other Funds	3,21,255	3,41,145
Staff Welfare Expenses	94,324	1,49,727
Stipend Expenses	51,745	7,000
TOTAL	53,16,696	97,25,714

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

Defined Contribution Plans

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

	31/03/2016	31/3/2015
Employer's Contribution to Provident Fund	3,21,255	3,41,145
Employer's Contribution to Labour Welfare Fund	NIL	2,309

17 FINANCE COSTS

	31/03/2016	31/3/2015
Interest & Other Charges	NIL	NIL
TOTAL	NIL	NIL

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18 OTHER EXPENSES

	31/03/2016	31/3/2015
Power and fuel	3,02,457	7,57,441
Office & Other Lease rents	6,73,867	12,50,764
Repairs to -		
- Computers	52,850	1,09,160
- Building & Other Repairs	6,30,771	1,77,955
Advertising Expenses	-	13,483
Bank Charges	32,610	27,522
Discount / Bad Debts	503	26,000
Donation	4,82,000	50,000
Entertainment & Hotelling Expenses	2,14,880	2,59,765
Foreign Travel Expenses (Refer Note 18.2 for Details)	18,72,684	30,55,885
Housekeeping Expenses	1,40,543	1,13,978
Legal and professional charges	1,86,600	7,13,116
(Refer Note 18.1 for Details)		
Membership Fees	3,59,437	3,32,634
Miscellaneous expenses	65,977	28,148
Office Expenses	1,17,663	1,12,601
Postage & Courier	1,360	17,880
Prelimanary Expenses W/off	36,989	36,989
Printing & Stationery	1,29,078	1,22,783
ROC related fees	77,200	8,800
Seminar Fees	91,600	1,45,562
Society , Rates & Taxes	64,474	72,462
Software License & Development Fees	21,165	8,261
Technical Fees (Consultant Charges)	53,41,616	48,27,055
Telephone & Internet expenses	3,36,446	4,56,577
Domestic Travelling	3,11,962	1,75,578
Local Conveyance	39,452	1,09,518
TOTAL	1,15,84,184	1,30,09,917

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

	31/03/2016	31/3/2015
(a) Auditor - Statutory Audit Fees	50,000	96,000
(b) For Tax matters	25,000	30,000
(b) For Other Services	-	87,000
TOTAL	75,000	2,13,000

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18.2 Expenditure in Foreign Currency

	31/03/2016	31/3/2015
Foreign Travel Expenses	5,20,726	13,57,674
Seminar Fees	-	1,45,562
Internet & Domain Registration Charges	-	8,261
TOTAL	5,20,726	15,11,497

19 EARNINGS PER SHARE (EPS)

	31/03/2016	31/3/2015
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs)	42,92,288	76,27,458
Weighted Average number of equity shares used as denominator for calculating EPS	30,75,000	3,04,50,000
Basic Earnings per share (Rs)	1.40	0.25
Diluted Earnings per share (Rs)	1.40	0.25
Face Value per equity share (Rs)	10	1

20 EARNINGS IN FOREIGN EXCHANGE

	31/03/2016	31/3/2015
Service Income	1,55,94,797	3,03,61,238
TOTAL	**1,55,94,797**	**3,03,61,238**

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

Particulars	Foreign Currency	31/03/2016		31/03/2015	
		Amount in Forex	Amount in Rs.	Amount in Forex	Amount in Rs.
Sundry Debtors	USD	2,29,133	1,51,22,750	2,30,904	1,44,52,485
Sundry Debtors	SGD	-	-	33,356	15,78,617
Sundry Debtors	QAR	53,038	9,54,684	52,369	9,54,684
Sundry Debtors	SAR	20,040	3,52,701	2,30,823	40,86,506

22 RELATED PARTY DISCLOSURES

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

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

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

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OCTAWARE TECHNOLOGIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

II Transactions during the year with related parties :

Name of the Related Party	Nature of transactions	For 2015-16		For 2014-15	
		Value of transactions Rs	Closing Balance as on March 31, 2016*	Value of transactions Rs	Closing Balance as on March 31, 2015*
Sajid Iqbal Abdul Hameed	Consultant Fees	8,50,000	85,500	7,22,500	47,250
Nazia Sajid Hameed	Office Rent payment	-	14,990	1,79,880	14,990
Mohammed Aslam Khan	Consultant Fees	7,66,132	(1,64,036)	9,00,000	(56,036)
Mohammed Siraj Gunwan	Consultant Fees	7,98,000	69,650	7,56,800	89,776
Rehana Khan	Office Rent Payment	6,00,000	86,913	5,02,084	18,698
Shahnawaz Ajazuddin Shaikh	Consultant Fees	6,84,000	51,390	6,64,058	76,950
Mirza Haroon Baig	Consultant Fees	6,22,500	46,800	5,84,000	46,800
Octaware Gulf FZE	Sales	62,54,530	73,16,276	67,95,157	41,02,558
Octaware Information Technologies Private Limited	Sales	46,06,180	50,51,512	12,95,000	11,65,500

*Closing balance in bracket represents amount receivable by the Company

23 The Company has taken office premises at Mumbai locations on operating lease.
Lease payments recognised in Profit & Loss A/c for the year is Rs 6,73,867/- (previous year Rs 12,09,964/-)

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

	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Capital Advances of Rs Nil (previous year Rs. Nil))	-	-
Other Commitments		
	-	-

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

Ashok Surana
Proprietor
M.No.044664

Date:- 01.09.2016
Place:- Mumbai

For and on behalf of the Board
For Octaware Technologies Limited

Mohammed Siraj Gunwan
Director

Date:- 01.09.2016
Place: Mumbai

Mohammed Aslam Khan
Director

Date:- 01.09.2016
Place: Mumbai