ALLSEC TECHNOLOGIES LIMITED

Annual Report 2014 - 15

Corporate Information

ALLSEC TECHNOLOGIES LIMITED

Board of Directors

Mr. T. Anantha Narayanan	Chairman
Dr. Krishnakumar Srinivasan	Director
Mr. S. Premkumar	Director
Ms. Lalitha Sankaran	Director
Mr. Manish Gaur	Investor Nominee
Mr. Kapil Modi	Investor Nominee
Mr. A. Saravanan	Director & President
Mr. R. Jagadish	Director & CEO

Management Team

Mr. R. Vaithiyanathan	Senior Vice President - Operations & HR
Mr. K. Narasimhan	Vice President - Finance
Mr. C. Mahadevan	Vice President - HR BPO
Mr. Saravanan Thambusamy	Vice President - Technology

DGM Legal & Company Secretary

Mr. A. Mohan Kumar

Auditors

S.R. Batliboi & Associates
Chartered Accountants
Chennai

Registered Office

7H Century Plaza,
560-562 Anna Salai,
Teynampet,
Chennai 600 018.

Corporate Office

46B Velachery Main Road,
Velachery, Chennai 600 042.

Bankers

- Canara Bank
- HDFC Bank

Registrars & Transfer Agents

KARVY Computershare Private Limited
Karvy Selenium Towers, No - B,
Plot No. 31-32, Gachibowli,
Financial District,
Nanakramguda, Hyderabad - 500 032

Notice is hereby given that the 16th Annual General meeting of the Shareholders of **ALLSEC TECHNOLOGIES LIMITED** will be held at 10.00 A.M. on Friday, 7th August 2015 at Narada Gana Sabha, Mini Hall, 314, TTK Salai, Alwarpet, Chennai 600 018 to transact the following business:

Ordinary Business:

1) To consider and adopt the Standalone and Consolidated Balance Sheet as at 31st March 2015 and the Profit and Loss Account for the period ended 31st March 2015 along with the Schedules, the report of the Directors and Auditors thereon.

2) To appoint a Director in the place of Mr. A. Saravanan (DIN: 00033683) who retires by rotation and being eligible, offers himself for re-appointment.

3) To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution;

"**RESOLVED THAT** M/s. S. R. Batliboi & Associates LLP (Firm Registration No.: 101049W), Chartered Accountants, the retiring auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company on such remuneration as may be decided by the Board of Directors plus reimbursement of actual travel and other out-of-pocket expenses."

Special Business:

4) To appoint Mr.Kapil Modi as an Investor Nominee Director and in this regard 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 Sections 152, 161 read with all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Kapil Modi (DIN: 07055408), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, and in respect of whom the company has received a notice in writing under section 160 of the Companies Act 2013, from a member proposing his candidature for the office of a Director, be and is hereby appointed as an Investor Nominee Director of the Company.

5) To appoint Ms. Lalitha Sankaran as an Independent Director and in this regard 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 Sections 149, 152, 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Lalitha Sankaran (DIN: 01780757), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from 7th August, 2015".

6) To re-designate Dr. Krishnakumar Srinivasan from Independent Director to Director and in this regard to consider and if thought fit to pass with or without modification the following resolution as an ordinary Resolution:

"**RESOLVED THAT** Dr. Krishnakumar Srinivasan, (DIN: 01612133) who was originally appointed by the shareholders at their Annual General Meeting held on 14th August 2014 as an Independent Director under section 149 of the Company Act 2013 be and is hereby re-designated and re-appointed as a Director of the Company whose office shall be liable to retire by rotaion".

NOTES :

1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.

2) The Register of Members of the Company and Transfer Books thereof will be closed from 3rd August, 2015 to 7th August, 2015 (both days inclusive).

3) The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS facility is available. Hence, the members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, ECS mandates, power of attorney, change of address/ name, etc., to their depository participant only and not to the Company's Registrar and Transfer Agent. Changes intimated to the depository participant will help the Company and its Registrars to provide efficient and better services to the Members.

4) As per the Circular No.17/95/2011 CL-V dated 21st April, 2011 issued by the Ministry of Corporate Affairs, to facilitate the Green Initiative in the Corporate Governance, share holders are allowed to receive the Notice / Documents like Annual report, etc through electronic mode i-e: to their e-mail address registered with the Company/ Depository participant.

5) In line with the above initiative by the Ministry of Corporate Affairs, all the members are requested to update their email address on their respective depository account with the depository participant to provide better service at all times.

6) The proxies appointed, should bring their attendance slips sent herewith, duly filled in, for attending the meeting.

7) Electronic copy of the Notice of the 16th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 16th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

Voting through electronic means

8) The Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Karvy Computershare Private Limited as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 16th Annual General Meeting of the Company (the AGM Notice).

9) The facility for voting through ballot / polling paper shall also be made available at the venue of the 16th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

10) The Company has appointed M/s Srinivasan & Shankar, Chartered Accountants, Chennai as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed July 31, 2015 as the 'Cut-off Date'. The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. July 31, 2015 only.

INSTRUCTION FOR E-VOTING

(a) To use the following URL for e-voting: i) From Karvy website : http://evoting.karvy.com

(b) Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically.

(c) Enter the login credentials i.e., user id and password mentioned on the enclosed form. Your Folio No / DP ID / Client ID will be your user ID.

(d) After entering the details appropriately, click on LOGIN.

(e) You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall 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. The system will prompt you to change your password and update any contact details like mobile, email etc on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(f) You need to login again with the new credentials.

(g) On successful login, the system will prompt you to select the EVENT i.e., Allsec Technologies Limited.

(h) On the voting page, enter the number of shares as on the cutoff date (July 31, 2015) under FOR / AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR / AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.

(i) Shareholders holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.

(j) 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. During the voting period, shareholders can login any number of times till they have voted on the resolution.

(k) Corporate/Instutional Members (Corporate/ FIs/FIIs/Trust/Mutual Funds/Banks etc.,) are required to send scan (PDF format) of the relevant Board resolution to the Scrutiniser through E-mail to mani@srinishankar.com with copy to evoting@karvy.com. The files scaned image of the Board resolution should be in the naming format "Corporate Name_Event No."

(l) Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

(m) The Portal will be open for voting from: 9 A.M. on August 4, 2015 (Tuesday) to 5 P.M. on August 6, 2015 (Thursday).

(n) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of http://evoting.karvy.com or contact Karvy Computershare Pvt Ltd at Tel No. 1800 345 4001 (toll free).

By Order of the Board

A. Mohan Kumar

Company Secretary

Place: Chennai

Date : 20th May, 2015

Registered Office:

7H, Century Plaza, 560-562,

Anna Salai,

Teynampet, Chennai 600 018.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 4

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Kapil Modi as an Additional Director of the Company with effect from April 1st, 2015.

In terms of the provisions of Section 161(1) of the Act, Mr. Kapil Modi would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member as per the Act proposing the candidature of Mr.Kapil Modi for the office of Director of the Company.

Mr. Kapil Modi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Keeping in view his expertise and knowledge, it will be in the interest of the Investors that Mr. Kapil Modi is appointed as an Investor Nominee Director.

Hence the proposed resolution. The Directors recommend that the resolution be passed.

None of the Directors except Mr Kapil Modi is concernerd or interested in the Resolution.

ITEM NO. 5

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Ms. Lalitha Sankaran as an Additional Director of the Company with effect from April 27th, 2015.

In terms of the provisions of Section 161(1) of the Act, Ms. Lalitha Sankaran would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Lalitha Sankaran for the office of Director of the Company.

Ms. Lalitha Sankaran is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he/she shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Ms. Lalitha Sankaran that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Ms. Lalitha Sankaran possesses appropriate skills, experience and knowledge, inter alia, in the field of finance.

In the opinion of the Board, Ms. Lalitha Sankaran fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Ms. Lalitha Sankaran is independent of the management.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Ms. Lalitha Sankaran is appointed as an Independent Director.

Copy of the draft letter for appointment of Ms. Lalitha Sankaran as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Hence the proposed resolution. The Directors recommend that the resolution be passed.

None of the directors except Ms. Lalitha Sankaran is concerned or interested in the resolution.

ITEM NO. 6

Allsectech Inc USA, which is a subsidiary of Allsec Technologies Limited, has proposed to appoint Mr. K. Moorthy Srinivasan as Senior Vice President - Technology. Mr. Moorthy is the brother of Dr. Krishnakumar Srinivasan, an independent Director Consequent to the appointment, Dr. Krishnakumar Srinivasan will not be considered as an Independent Director under the provisions of Companies Act 2013. The Board of Directors in their meeting held on 20th May 2015 have taken note and have approved the change in status of Dr. Krishnakumar Srinivasan. Accordingly this resolution is now moved for considering the re-designation and re-appointment of Dr. Krishnakumar Srinivasan as a Director, whose office is liable to retire by rotation.

Considering the experience and expertise of Dr. Krishnakumar Srinivasan, the Directors recommend that the Resolution be passed.

None of the Directors, except Dr. Krishnakumar Srinivasan is concerned or interested in the Resolution.

Annexure to Item No. 2 & 4 of the Notice

Details of Directors seeking appointment / reappointment at the forthcoming Annual General Meeting

(in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. A. Saravanan	Mr. Kapil Modi
Date of Birth	18 – April – 1962	02- Jan -1985
DIN	00033683	07055408
Date of Appointment on the Board	24-August-1998	01- April - 2015
Qualifications	B.Sc., (Physics), Chartered Accountant from Institute of Chartered Accountants of India.	MBA from the Indian Institute of Management, Ahmedabad. Bachelor of Technology degree from IIT Kharagpur. CFA (AIMR-USA) charter holder MBL from National Law School, Bangalore.
Shareholding in Allsec	2737119 Equity shares of Rs.10/- each (17.96 % on the paid-up capital)	NIL
List of Directorship held in Companies	Allsec Technologies Limited Allsectech Inc., USA Allsectech Manila Inc., - Philippines Retreat Capital Management Inc	Newgen Knowledge Works private Limited.
Nature of expertise in specific functional areas	Mr.A.Saravanan is a qualified Chartered Accountant. He has over 25 years of experience in finance and management, across different industry segments, which he has effectively used whilst being the co-promoter of the Allsec group of companies. He headed marketing initiatives in areas of investments, merchant banking, portfolio management, brokerages and debt syndication for the Allsec group of companies. As the President and Whole Time Director, he is responsible for business development, strategy and finance and he also directly oversees the marketing initiatives of the Company across all geographies.	He has been with Carlyle since 2008 and has been involved in various investments such as Tirumala Milk Products, Newgen Knowledge Works, Visen Industries, Value & Budget Housing Corporation, South Indian Bank and Cyient Limited. Mr. Kapil Modi was also involved in the successful sale of Tirumala Milk Products in 2014.

Annexure to Item No. 5 & 6 of the Notice

Details of Directors seeking appointment / reappointment at the forthcoming Annual General Meeting

(in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Ms. Lalitha Sankaran	Mr. Krishnakumar Srinivasan
Date of Birth	04-June-1960	01-May-1959
DIN	01780757	01612133
Date of Appointment on the Board	27-April-2015	14-August-2014
Qualifications	PG in Statistics from University of Madras Qualified Cost and Works Accountant from the Institute of Cost and Works Accountants of India.	Bachelor of Technology from Indian Institute of Technology MBA from Indian Institute of Management PhD in Business from the University of Pittsburgh
Shareholding in Allsec	NIL	NIL
List of Directorship held in Companies	NIL	NIL
Nature of expertise in specific functional areas	She has more than 14 years of experience in various capacities and as a DGM in IDBI, handled project appraisal and sanction of loans to large industries in various sectors. She was a nominee director of a few company Boards appointed by IDBI in its investee companies. She has also worked in Temenos AG a Geneva based company, where she joined as a banking consultant and rose to the level of VP, Client Services. She has extensive knowledge in implementing CBS and also in overseeing projects. She has been part of about 20-25 project implementations in various capacities. She has managed most of the projects and has successfully guided client banks in transitioning their existing processes to the new CBS platform seamlessly.	Dr. Krishnakumar Srinivasan is the Founder and CEO of Lux Analytics which helps organizations make better decisions through the use of analytics. Currently the company specializes in verticals such as financial services, health insurance, retail and telecom. Previously he ran the credit card business at Atlanticus a specialty finance company based in Atlanta

A. Mohan Kumar
Company Secretary

Place : Chennai
Date : 20th May 2015

Registered Office: 7H, Century Plaza, 560-562, Anna Salai, Teynampet, Chennai 600 018.

(Rs. in Lakhs)

S. No	Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007	Year Ended March 31, 2006
A	**Profit and Loss Account**										
	Revenue	9747	10674	10747	12471	14154	12208	9649	9901	11327	9225
	Gross Profit before Interest, tax, depriciation & amortisation (**EBITDA**)	486	1329	736	(328)	686	370	180	(240)	3640	2779
	Profit before taxation	(130)	543	(333)	(1470)	(394)	(681)	(702)	(1105)	2807	2116
	Profit after taxation	(174)	543	(333)	(1470)	(394)	(681)	(722)	(1355)	2813	2163
B	**Balance Sheet**										
	Net fixed assets	927	1769	2384	3131	3588	3569	2666	2914	2904	3420
	Investments	5282	6179	3532	3118	4252	2715	4538	7932	8847	1084
	Net current Assets	5302	4161	5650	5762	5775	7644	7210	4243	4986	2370
	Total	**11511**	**12109**	**11567**	**12011**	**13616**	**13930**	**14414**	**15090**	**16738**	**6874**
	Share Capital	1524	1524	1524	1524	1524	1524	1524	1524	1524	1209
	Reserves & Surplus	9928	10496	9954	10287	11755	12150	12831	13529	15427	5873
	Net worth	11452	12021	11478	11811	13279	13674	14355	15053	16951	7082
	Loan funds	59	88	89	200	337	256	59	37	15	15
	Deferred tax (Net)	-	-	-	-	-	-	-	-	(228)	(223)
	Total	**11511**	**12109**	**11567**	**12011**	**13616**	**13930**	**14414**	**15090**	**16738**	**6874**
C	**EPS (in Rs)**	(1.1)	3.5	(2.1)	(9.6)	(2.5)	(4.4)	(4.7)	(8.9)	20.0	18.4
	Diluted EPS (in Rs)	(1.1)	3.4	(2.1)	(9.6)	(2.5)	(4.4)	(4.7)	(8.9)	19.9	18.1
	Book Value per share	75.14	78.88	75.33	77.50	87.15	89.74	94.20	98.70	111.20	58.50
	Return on Capital Employed (ROCE in %)	(1%)	4%	(3%)	(12%)	(3%)	(5%)	(5%)	(7%)	17%	32%
	Return on Networth (RONW in %)	(1%)	5%	(3%)	(12%)	(3%)	(5%)	(5%)	(7%)	17%	31%
	Fixed Assets Turnover (No of times)	10.51	6.03	4.51	3.98	3.94	3.42	3.62	3.40	3.90	2.70
	Working Capital Turnover (No of times)	1.8	2.6	1.9	2.2	2.4	1.6	1.3	2.3	2.3	3.9

Directors Report

The Directors take pleasure in presenting to you the 16th Annual Report of the company covering the financial year ended 31st March 2015.

FINANCIAL HIGHLIGHTS

(Rs. In Lakhs)

PARTICULARS	YEAR ENDED MAR 31, 2015	YEAR ENDED MAR 31, 2014	Y-o-y % F / (A)
INCOME FROM SERVICES	**9747**	10674	(8.7%)
TOTAL COSTS	**9497**	9582	0.8%
OPERATING MARGIN	**250**	1092	(77.1%)
OTHER INCOME	**236**	237	(2.5%)
EBIDTA	**486**	1329	(63.4%)
EBIDTA (%)	**5%**	13%	-
DEPRECIATION	**667**	748	10.8%
FINANCE CHARGES	**(51)**	38	55.8%
PROFIT/(LOSS) before Tax	**(130)**	543	-
PROFIT/(LOSS) after Tax	**(174)**	543	-
CASH PROFIT	**493**	1291	(61.8%)

Dividend

The Board of Directors of your Company does not recommend any dividend for the Financial Year 2014-15 in view of the losses incurred during the year.

Business Outlook

Your Company has progressed well in the Domestic business during the year and has added clients with better pricing, resulting in an increase of 33% in revenues over the previous year. Capacity utilization in domestic business is better and we expect that the profits from this division will increase in the coming years.

HR BPO division is a vertical which is growing organically for us in India and this will continue to do so in the coming years. HR BPO services will also be expanded to new geographies. We have added clients in Manila during the year and are confident of increasing our client base in Manila in the coming years. The new markets in Manila as well as in the Middle East will be a key growth area for the future. Efforts will be increased to market HR BPO services in destinations like Philippines, Middle East and in the US in the coming year. We believe that the HR BPO business will see significant growth in the next 2 years.

Exports revenue has decreased by 45% in USD terms because of a ramp down of one of our major customers due to change in UK legislation, relating to payday loans. Since the exchange rate was almost at similar levels, the reduction in local currency terms was at 44%. Economy in US and UK is now showing signs of improvement and we believe that we will be able to expand our exports revenue in the next few years. We are increasing the marketing activity both by increasing the feet on street sales force as well as by adding to the marketing team in India for more targeted marketing. With additional focus on business development in US/UK and in some new geographies, your company believes that growth in business in exports will happen and profitability will improve substantially in the coming years.

Profit before Interest, Depreciation and Tax (EBIDTA) has decreased from INR 1329 Lakhs to INR 486 Lakhs due to reduction in exports business as stated in the previous paragraphs. Your company has reported Net Loss after tax for the current year at INR 174 Lakhs as compared to Net Profit after tax of INR 543 Lakhs for the previous year. Detailed analysis of the Standalone results forms part of the Management Discussion and Analysis (MDNA) report is attached as Annexure C to this report.

Consolidated performance of your Company was however better during the year mainly due to profits in Manila Operations and reduced losses in Retreat. Though Consolidated Revenues have come down to INR 15086 Lakhs from INR 19962 Lakhs in 2013-14, the Net Losses on a consolidated basis have come down significantly to INR 1406 Lakhs from INR 3714 Lakhs in the last year. Manila Operations reported a Net Profit of INR 290 Lakhs as compared to Net Loss of INR 130 Lakhs in 2013-14. The improvement in performance was significant in second half of 2014-15 and your Company has posted a Net Profit of INR 10 Lakhs in the last quarter on a Consolidated basis.

The company continues to pursue growth through the Organic route and see traction for growth in both the US and Domestic Markets. The company has delivery centers in India and Manila for the international segment, has Domestic delivery centers in major cities in India which has the capability to offer delivery in multiple Indian languages.

Quality & Information Security

The vision of Quality and Information security at Allsec is to institutionalize excellence in quality of service and security of data of Clients, customers and the Organization by developing and deploying efficient and effective processes using the latest Quality models in accordance with ISO 9001:2008 interlined with data security controls prescribed by International standards such as ISO 27001:2013. As part of its continuous improvement program, ISO 9001:2008 (Quality Management System) has been renewed and existing ISO 27001:2005 (Information Security Management) has been transitioned, upgraded and certified to an upgraded version of the standard i.e. ISO 27001:2013 at Chennai location. PCI DSS compliance certifications are renewed at Chennai and Manila locations of your company during the FY 2014-15. Manila location of your company is also certified for the upgraded version of the information security standard i.e. ISO 27001:2013. Further, existing ISAE 3402 which is a graduated version of SAS 70 Type II certification for the HR BPO business has been re-certified to ensure consistency with business and market needs in HR outsourcing. A healthy information security management system is deployed in Retreat Capital Management Inc. as well and the process to get this unit certified for ISO 27001:2005 and transition to ISO 27001:2013 is in progress now. Several client audits on information security and data privacy took place at all our service delivery locations and results indicated that the company accomplished required compliance with their contractual and standards requirements.

Disclosure as per Securities and Exchange Board of India (Employees Stock option Scheme and Employee Stock Purchase Scheme) Guidelines, 2011

The details are given in Annexure - G to Directors Report

Conservation of energy, technology absorption, foreign exchange earnings and outgo

Since your Company is in the Information Technology Enabled Services (ITES) business, the provisions relating to conservation of energy and technology absorptions are not applicable. The details of the earnings and expenditure in foreign currency are given below:

Particulars	INR Lakhs
Earnings in Foreign Currency	3270
Expenditure in Foreign Currency	529
Remittance of Dividend in Foreign Currency	-

Directors

Mr. A. Saravanan, Director retires at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Mr. Kapil Modi, a Director who was appointed as an Additional Director and who holds office as such upto the date of Sixteenth Annual General Meeting of the Company and in respect of whom Notice under section 149 (6) of Companies Act, 2013 has been received from members signifying their intention to propose Mr. Kapil Modi as a candidate for the office of Director and accordingly a resolution will be placed before the members at the forthcoming Annual General Meeting.

Ms. Lalitha Sankaran, a Director who was appointed as an Additional Director and who holds office as such upto the date of Sixteenth Annual General Meeting of the Company and in respect of whom Notice under section 149(6) of Companies Act, 2013 has been received from members signifying their intention to propose Ms. Lalitha Sankaran as a candidate for the office of Director and accordingly a resolution will be placed before the members at the forthcoming Annual General Meeting.

Dr. Krishnakumar Srinivasan who was originally appointed by the shareholders at their Annual General Meeting held on 14th August 2014 as an Independent Director under Section 149 of the Companies 2013 is redesignated as a Director of the Company. This was approved by the Board of Directors in their meeting held on 20th May 2015 and a resolution is now being placed before the members of the Company for the re-designation of Dr. Krishnakumar Srinivasan as a Director, whose Office is liable to retire by rotation.

Compliance under Companies Act, 2013

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company complied with the requirements under Companies Act, 2013 and the details are enumerated below:

Extract of Annual Return

An Extract of the Annual Return as of 31st March 2015, pursuant to the sub section (3) of Section 92 of the Companies Act 2013 and forming part of the report is attached in Annexure D.

Board Meetings held during the year

During the year, 5 meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached as Annexure-A to this Report.

Director's Responsibility Statement

The Board of Directors acknowledges the responsibility of ensuring compliance with the provisions of Section 134 (3) (c) of the 2013 Act. To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements:

Your Directors confirm the following:

i. That in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. That the directors had 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 at the end of the financial year and of the profit or loss of the company for that period;

iii. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv. That the directors had prepared the annual accounts on a going concern basis.

v. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

vi. That proper systems were in place so as to ensure compliance with the provisions of all applicable laws and were adequate and operating effectively.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and fixing their remuneration. The Company's policy on appointment and remuneration is provided in the Corporate Governance Report forming part as an Annexure A to this Report.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. P. Sriram, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is given as Annexure E to this Report.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the financial statements.

Related Party Transactions

The Company has formulated a policy on Related Party Transactions as approved by the Board and the same is uploaded on the Company's website http://www.allsectech.com/Allsec/investor-information.aspx

All the Related Party Transactions that were entered into by the Company during the financial year 2014-15, were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee for their prior approval in accordance with the requirements of the Listing Agreement. The transactions entered into pursuant to such approval are placed periodically before the Audit Committee.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company otherwise than disclosed in the Corporate Governance Report, forming part of this report.

Details of contracts with Related parties are available in Form AOC-2 which is attached as Annexure F.

Risk Management

Your Company recognizes that Risk Management is an integral part of good management practice. Risk Management is an essential element in achieving business goals and deriving benefits from market opportunities. Accordingly the Board have approved and adopted the Risk Management policy. The company has constituted a Risk Management Committee with the functional heads as its members.

The purpose of the policy is to achieve the Company's objectives in a dynamic environment as well as to effectively manage the risks arising and associated with its business. A structured Risk Management frame work has been put in place covering various risks involved, and to ensure that the risks attributed to the Company are identified, analyzed, and mitigated.

Corporate Social Responsibility (CSR)

The Board of Directors of your Company has constituted the CSR Committee to help the Company to frame, monitor and execute the CSR activities.

As per Sec. 135 of the Companies Act 2013, the Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years. Since the average net profits of your Company during the past three financial years is not positive, contribution of 2% to Corporate Social responsibility activity will not be applicable to the Company.

Independent Directors & Board Evaluation

In order to improve the effectiveness of the Board and its Committees, as well as the effectiveness of each individual Director, the Board carried out an annual performance evaluation of its own performance and that of its committees and the directors individually.

The Independent Directors of the Company have declared that they meet the criteria of Independence in terms of Section 149 (6) of the Companies Act, 2013.

Familiarisation Programme

Your Company follows an orientation and familiarization programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. The detail about the familiarisation programme have been posted in the website of the Company under the web link http://www.allsectech.com/Allsec/investor-information.aspx

Vigil Mechanism / Whistle Blower Policy

In accordance with the requirements of the Companies Act 2013, your Company has established a Vigil Mechanism / Whistle Blower Policy for Directors, Employees and others to report genuine concerns. The said Policy meets the requirement of the Vigil Mechanism framework and the members can view the details of the policy on http://www.allsectech.com/Allsec/investor-information.aspx

Names of Companies which have ceased / become Subsidiaries / Joint Ventures / Associates

During the year, consequent to a settlement agreement between Retreat Capital Management Inc., USA, its promoter and Allsec, the Retreat promoter's shares were bought back by Retreat and accordingly Retreat has become a wholly owned subsidiary of Allsec Technologies Ltd.

In the year 2012, the Company had acquired 80% of the paid up share capital of Centigral Inc., USA, engaged in the business of providing management consultancy services in health care and business analytics. Due to lack of business opportunities and clear visibility of future business, the board of directors of Centigral Inc., USA had decided to dissolve the Company. The company had filed appropriate documents with US authorities during December 2014.

Deposits:

Your company has not accepted any deposit from the public during the period under review and did not have any outstanding deposits.

Key Managerial personnel

The Key Managerial Personnel of Allsec Technologies Limited are mentioned below:

1. Mr. R. Jagadish – CEO & Director
2. Mr. A. Mohan Kumar – Company Secretary
3. Mr. K. Narasimhan – Chief Financial Officer

Employees

As per the provisions of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to all the members of the Company, excluding the information relating to Employees to be given under Section 197 (12) of the Companies Act 2013. The said information would be filed with the Registrar of Companies and also would be available for inspection by the members at the Corporate Office of the Company. Any member interested in obtaining such particulars may also write to the Company Secretary, Allsec Technologies Limited, 46B, Velachery Main Road, Velachery, Chennai 600042.

Corporate Governance

Your Company is fully compliant with the requirements given under Clause 49 of the listing agreement. The Report on Corporate Governance is given in Annexure A. Certificate from Auditors confirming compliance of conditions of Corporate Governance is included in Annexure B. CEO/CFO certification is attached in Annexure H.

Statement indicating the manner in which formal annual evaluation has been made by the Board

1. Independent Directors at a meeting without the presence of Wholetime Directors and management, considered / evaluated the Board's performance, performance of the Chairman and other non-independent Directors.
2. The Board subsequently evaluated performance of the Board, the Committees and Independent Directors (without participation of the relevant director)

Subsidiary Companies

The company has three subsidiaries as at year end namely Allsectech Inc, USA, Allsectech Manila Inc., Philippines & Retreat Capital Management Inc, USA.

The Consolidated Financial Statements of the Company and its Subsidiaries prepared in accordance with

Accounting Standard AS-21 form part of the Annual Report and Accounts.

The Annual Accounts of the said subsidiaries and the related detailed information will be made available to the investors of the Company seeking such information at any point of time. The copies of Annual Accounts of the Subsidiary Companies will also be kept for inspection by any investor at the Corporate Office of the Company.

The Company monitors performance of subsidiary companies inter-alia, by the following means:

a) The Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary.

b) The Audit Committee reviews the financial statements, in particular, the investments made by the subsidiary companies.

c) Your Company has formulated a Policy on material Subsidiary as required under Clause 49 (V) (D) and the policy is hosted on the website of the Company under the web link http://www.allsectech.com/Allsec/investor-information.aspx

Investor Services

Your company will constantly endeavor to give the best possible services to the investors. Towards this end, the following are some of the initiatives taken by the Company:

The investor Information section of the Website of the Company (www.allsectech.com), furnishes important financial details and other data of frequent reference by the investors. The Company also has a Shareholders/Investors Relation Committee to address shareholders grievances if any and resolve them as & when they are highlighted.

The Company has provided an exclusive email id: investorcontact@allsectech.com for the investors to facilitate complaints of the investors and its redressal.

The Company has appointed M/s Karvy Computershare Pvt Ltd as Registrars & Share Transfer Agents for attending to issues relating to Physical shares and routine services requests.

Shareholders can also address any unresolved issues or information requests by postal mail to -The Company Secretary, Allsec Technologies Ltd, 46B, Velachery Main Road, Velachery, Chennai 600042.

Shareholders are requested to update their email addresses with their respective depository participants so that the Company can provide better services at all times.

Auditors

M/s. S.R.Batliboi & Associates LLP, Chartered Accountants were re-appointed as Auditors of the company at the annual general meeting held on 14th August, 2014. M/s. S.R.Batliboi & Associates LLP retire at this Annual General meeting. The Company has received necessary certificate from the Auditors to the effect that they satisfy the conditions given in Sections 139 and 141 of the Companies Act 2013, and the rules made thereunder for the above appointment. The Directors recommend their re-appointment.

As required under the Listing Agreement, the Statutory Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Comments on Auditors' report

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors and Company Secretary in Practice in their reports respectively. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

Material changes and commitments affecting the financial position

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2015) and the date of the Report (May 20, 2015).

Acknowledgement

Your Directors wish to place on record their appreciation for the excellent support and co-operation given by customers, shareholders, service providers and Government agencies.

Your Directors also record their appreciation and gratitude to Financial Institution and Bankers for their continued support and timely assistance in meeting the Company's resource requirements. Your Directors acknowledge the dedicated services rendered by all the employees of the company.

For and on behalf of the Board of Directors

A. Saravanan
Director

R. Jagadish
Director

Place : Chennai
Date : 20th May 2015

REPORT ON CORPORATE GOVERNANCE

A. Mandatory Requirements

1. Company's Philosophy:

The Company lays great importance on investor service, investor communication, highest level of transparency, accountability and responsibility in its operations and all interactions with its shareholders, investors, lenders, employees and Government. Your Directors are committed to adopt the best Corporate Governance practices.

2. Board of Directors:

The Board comprises of a Non-executive Director as Chairman, 2 Executive Directors and 5 Non-Executive Directors. Ms. Lalitha Sankaran has been appointed as a Woman Director to the board.

The Board functions as a full Board or through Committees. The policy decisions and control vests with the Board and the operational issues are handled by the Committees. Both the Board and Committees meet at regular intervals.

The Board has the following Committees namely Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee and CSR Committee.

During the year 2014 - 2015, 5 Board Meetings were held on 3rd April 2014, 23rd May 2014, 14th August 2014, 6th November 2014 and 11th February 2015.

Name	Designation	Category	Attendance		Other Board	
			Board Meeting	Last AGM	Directorships #	Committee Memberships $
T. Anantha Narayanan	Chairman (From 14/8/2014)	Independent Non-Executive	5	Yes	5	6
Dr. Bala V Balachandran	Chairman (Till 14/8/2014)	Independent Non-Executive	1	Yes	1	1
Krishnakumar Srinivasan	Director	Independent Non-Executive	4	Yes	-	-
S. Premkumar	Director	Independent Non-Executive	3	Yes	5	-
Mahesh Parasuraman	Director	Investor Nominee - Non- Executive	5	Yes	2	5
Manish Gaur	Director	Investor Nominee - Non- Executive	5	Yes	-	-
Arvinthan Wijay	Director	Professional - Non-Executive	1	No	-	-
A. Saravanan	Director & President	Non-Independent Executive	5	Yes	-	-
R. Jagadish	Director & CEO	Non-Independent Executive	5	Yes	-	-

Excluding Private Limited Companies, Foreign Companies, Section 25 Companies.
$ Includes membership in Audit Committee and Share holders/Investor Relation committee only.

The criteria for making payment of remuneration to the Non-executive Directors are as follows:

An amount of Rs. 20,000/- per meeting is being paid towards Sitting Fee for attending meetings of the Board, Committee of Directors and the Audit Committee, to the Non-executive Directors.

Code of Conduct for Directors and Senior Management

The Code of Conduct for the Directors and Senior Management of the Company is available on the Company's website: www.allsectech.com. All the Board members and the Senior Management Personnel have confirmed the Compliance with the Code.

3. Audit Committee:

The Audit Committee presently consists of Independent and Non-Independent directors. The Committee currently comprises of Mr. T. Anantha Narayanan, Mr. S. Premkumar, Mr. R. Jagadish and Ms. Lalitha Sankaran. The composition of the Audit Committee complies with the requirements of Clause 49 of the listing agreement entered into with the Stock Exchanges. During the year, 4 Audit Committee meetings were held on 23rd May 2014, 14th August 2014, 6th November 2014 and 11th February 2015.

Name	Category	Status	Attendance
T. Anantha Narayanan	Independent Non- Executive	Chairman	4
Dr. Bala V Balachandran	Independent Non-Executive	Member	1
R. Jagadish	Non-Independent Executive	Member	4
Krishnakumar Srinivasan	Independent Non-Executive	Member	3
S. Premkumar	Independent Non-Executive	Member	3

4. Nomination and Remuneration Committee:

The Compensation committee presently consists of Independent and Non-Independent directors. The Committee currently comprises Mr. T. Anantha Narayanan, Mr. S. Premkumar and Mr. A. Saravanan. During the year no meeting was held under this committee.

The objective of the Committee is

- To formulate Remuneration Policy
- Formulate criteria for evaluation of Directors and the Board.
- To ensure that the Remuneration Policy shall also include 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.
- Identify persons who are qualified to become Directors and those 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.
- To ensure that 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; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Grant of stock options under the Employees Stock Option Scheme and perform other functions of compensation committee as required/ recommended by SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999.
- Other functions of a Remuneration Committee as required / recommended in the Listing Agreement.

The remuneration paid to the whole time directors is approved by the Committee of Board and Shareholders at the general meeting as required by the Companies Act, 2013. The details of the remuneration paid to the directors for the year ended 31st March 2015 is given below:

Executive Directors (Rs. In Lakhs)

Name	Salary & Allowances*	Commission	Total
R. Jagadish	84.00	Nil	84.00

Non-Executive Directors (Rs. In Lakhs)

Name of Director	Sitting Fees	
	Board	Audit Committee
Dr. Bala V Balachandran	0.20	0.20
Mr. T. Anantha Narayanan	1.00	0.80
Mr. Manish Gaur	-	-
Mr. Mahesh Parasuraman	-	-
Mr. Krishnakumar Srinivasan	0.60	0.60
Mr. S. Premkumar	0.60	0.60

5. Stakeholders Relationship Committee:

The composition of the Stakeholders Relationship Committee complies with the requirements of Clause 49 of the listing agreement entered with the Stock Exchanges.

The Stakeholder Relationship Committee presently consists of Mr. T. Anantha Narayanan, Mr. A. Saravanan and Mr. R. Jagadish. During the year, 5 Committee meetings were held.

This Committee deals with and approves the share transfers, transmission, etc., as required from time to time and all other matters relating to investor relations and grievances.

Mr. A. Mohan Kumar, Company Secretary is the compliance officer nominated for this purpose.

The details of investor complaints during the year 2014-2015 are:

Complaints received	Resolved	Not solved to the satisfaction of shareholders	Pending
Nil	Nil	Nil	Nil

6. Independent Directors Meeting:

A Meeting of the Independent Directors was held on 10th Feb 2015 in accordance to the clause 149 (8) of the Companies Act to review the performance of the Board, other than the Independent Directors.

7. Corporate Social Responsibility Committee:

As per Sec. 135 of the Companies Act, 2013, every Company, having

- Networth of Rs. 500 crore or more (or)
- Turnover of Rs. 1000 crore or more (or)
- Net profit of Rs. 5 crore or more

need to constitute CSR Committee. This Committee consist of 3 Directors.

1	T. Anantha Narayanan	Chairman
2	R. Jagadish	Member
3	A. Saravanan	Member

The committee formulates and recommends to the Board, a Corporate Social Responsibility Policy and the activities to be undertaken by the company as specified under the Companies Act 2013.

8. General Body Meetings:

I. Location, time and date where last three Annual General Meetings were held are given below;

Financial Year	Date	Time	Venue
2011-12	August 2, 2012	10.00 am	Narada Gana Sabha, 314,TTK Salai, Alwarpet, Chennai - 600018
2012-13	August 12, 2013	10.00 am	Narada Gana Sabha, 314,TTK Salai, Alwarpet, Chennai - 600018
2013-14	August 14, 2014	10.00 am	4Narada Gana Sabha, 314,TTK Salai, Alwarpet, Chennai - 600018

II. Special Resolutions passed in the previous 3 Annual General Meetings:

1. No Special Resolution was passed in the AGM held on 2nd August 2012.
2. No Special Resolution was passed in the AGM held on 12th August 2013.
3. No Special Resolution was passed in the AGM held on 14th August 2014.

III. Extra-Ordinary General Meetings:

a) Location, time and date where last three Extra-Ordinary General Meetings were held are given below:

Date	Time	Venue
12th October, 2006	11.00 am	Narada Gana Sabha, 314,TTK Salai, Alwarpet, Chennai -600018
21st February, 2008	11.00 am	46 C, Velachery Main Road, Velachery, Chennai - 42
8th March, 2010	3.00 pm	46 C, Velachery Main Road, Velachery, Chennai - 42

b) The following Special Resolutions were passed at the Extra-Ordinary General Meetings (EGM):

i. At the EGM dated 12th October, 2006

- Resolution for amendment to Articles of Association.
- Resolution for authorizing the increase in the limits for investment by Foreign Institutional In vestors (FII) to 100%.
- Resolution for approval of the Employment Agreement with Mr. A. Saravanan, Wholetime Director.
- Resolution for approval of the Employment Agreement with Mr. R. Jagadish, Wholetime Director.

ii. At the EGM dated 21st February, 2008

- Resolution for payment of remuneration and re-appointment of Mr. A. Saravanan, Whole time Director.
- Resolution for payment of remuneration and re-appointment of Mr. R. Jagadish, Whole time Director.

iii. At the EGM dated 8th March, 2010

- Resolution for payment of remuneration and re-appointment of Mr. A. Saravanan, Whole time Director.
- Resolution for payment of remuneration and re-appointment of Mr. R. Jagadish, Whole time Director.

IV. Postal Ballot

Special Resolution(s) through Postal ballot was passed on 15th March 2013:

- For payment of remuneration and re-appoint ment of Mr. A. Saravanan, Whole time Director.
- For payment of remuneration and re-appoint ment of Mr. R. Jagadish, Whole time Director.

RESOLUTION	No. of Votes in favour (Shares)	No. of. Votes against (Shares)
For Re-Appointment and Fixation of Remuneration to Mr. A. Saravanan as Whole Time Director of the Company	5781459	510638
For Re-Appointment and Fixation of Remuneration to Mr. R. Jagadish as Whole Time Director of the Company	5781361	510683

9. Disclosures

There have been no instances of non-compliance on any matters relating to capital markets, nor have any penalty/strictures been imposed on the company by the stock exchange or SEBI or any statutory authority on such matters.

All mandatory requirements of Clause 49 have been complied with. The details of Non Mandatory requirements as adopted by company are furnished under Section B at the end of this report.

10. Means of Communication:

- The Quarterly results are being published in one leading national (English) newspaper normally Financial Express or Business Line and in one vernacular news paper (Makkalkural or Malai Murasu or Malai Sudar). The Quarterly results are also displayed on the Company's website - www.allsectech.com.
- The Company's website also displays Annual Report, shareholding pattern, code of conduct and other shareholders information.
- The Management Discussion and Analysis Report is also given in Annexure C.

11. General Shareholders Information:

A. Annual General Meeting
Date and Time : 7th August 2015 at 10.00 A.M.
Venue : Narada Gana Sabha, Mini Hall,
314, TTK Salai, Alwarpet, Chennai 600 018.

B. Financial Year

The Financial Year of the Company is April – March. The results for every quarter will be declared within the time period prescribed under the Listing Agreement.

C. Date of Book Closure

3rd August, 2015 to 7th August, 2015 (Both days inclusive)

D. Listing on Stock Exchanges

The shares of the Company are listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

Market information details for the year 2014-2015

Month	National Stock Exchange				Bombay Stock Exchange			
	Price		Indices		Price		Indices	
	High	Low	High	Low	High	Low	High	Low
Apr-14	33.70	25.00	6869.85	6650.40	32.55	25.00	22939.31	22197.51
May-14	32.00	25.00	7563.50	6638.55	32.05	24.00	25375.63	22277.04
Jun-14	37.25	26.05	7700.05	7239.50	37.50	26.10	25725.12	24270.20
Jul-14	32.50	25.10	7840.90	7721.30	33.00	25.40	26300.17	24892.00
Aug-14	27.50	21.00	7968.25	7540.10	28.00	21.05	26674.38	25232.82
Sep-14	29.90	21.10	8180.20	7841.80	29.90	21.60	27354.99	26220.49
Oct-14	27.00	19.30	8330.75	7723.85	25.50	21.40	27894.32	25910.77
Nov-14	32.25	22.00	8617.00	8290.25	32.50	23.50	28822.37	27739.56
Dec-14	30.50	22.10	8626.95	8282.35	29.85	22.55	28809.64	26469.42
Jan-15	31.65	23.20	8996.60	8065.45	31.35	23.25	29844.16	26776.12
Feb-15	28.50	23.10	8941.10	8470.50	27.00	23.55	29560.32	28044.49
Mar-15	27.95	20.25	9119.20	8269.15	27.00	20.50	30024.74	27248.45

E. Stock Code / Symbol

NSE - Scrip Code - Allsec
BSE - Scrip Code - 532633

F. Market Price Data - High / Low during each month in the last Financial Year & Performance in comparison to NSE/ BSE index etc

G. Registrars and Transfer Agents
KARVY Computershare Private Limited

Unit : Allsec
Karvy Selenium Towers, No - B,
Plot No. 31-32, Gachibowli,
Financial District,
Nanakramguda, Hyderabad - 500 032
Tel : +91 40 6716 1591

E-mail: einward.ris@karvy.com
Website: www.karvy.com

H. Share Transfer System

Karvy Computershare Private Limited is the Registrar and Share Transfer Agent of the Company. The shares lodged for physical transfer / transmission/ transposition, if any, would be registered within the prescribed time limit, if the document are complete in all respects. The shares in the dematerialised form are admitted for trading with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

I. Category wise distribution of equity shares as of March 31, 2015:

Category	No. of Share	% of Holding
Promoters Holding :		
Indian Promoters	5399381	35.43
Person Acting in Concert	Nil	Nil
Non Promoters Holding:		
Institutional Investors	Nil	Nil
Financial Institutions / Banks	Nil	Nil
Mutual Funds	502932	3.30
Foreign Institutional Investors	498816	3.27
Foreign Venture Capital	4702858	30.86
Foreign Corporate Bodies	182558	1.20
Others:		
Private Corporate Bodies	296226	1.95
Indian Public	3465343	22.74
Non Resident Indians	185535	1.22
Others	4677	0.03
TOTAL	**15238326**	**100.00**

Distribution Schedule

Category (Amount)	No. of Holders	% To Holders	Amount (Rs.)	% To Equity
1 - 5000	4702	87.33	4962430	3.26
5001 - 10000	317	5.89	2611200	1.71
10001 - 20000	171	3.18	2550900	1.67
20001 - 30000	58	1.08	1441150	0.94
30001 - 40000	31	0.58	1042990	0.68
40001 - 50000	19	0.35	891630	0.59
50001 - 100000	41	0.76	2979270	1.96
100001 & ABOVE	45	0.84	135903690	89.19
TOTAL	**5384**	**100.00**	**152383260**	**100.00**

J. Ther are no outstanding GDRs/ADRs/warrants or any convertible instruments conversion date and likely impact on equity.

K. Delivery Centres

Allsec Technologies has its offices/Service delivery centers in India at Chennai, Trichy, Bengaluru, Mumbai and Delhi.

The details of our subsidiaries are as given below:

Name of the Subsidiary	% of controlling Interest
Allsectech Inc, at USA	100%
Allsectech Manila Inc, at Philippines	100%
Retreat Capital Management Group at USA.	100%

L. Dematerialization of shares and liquidity

As on March 31, 2015 about 99.99% of the shares were held in dematerialized form.

M. Address for Investor Correspondence

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address (Share holders holding in physical form) or any other query relating to shares, please write to:

Karvy Computershare Private Limited,
Unit : Allsec
Karvy Selenium Towers, No - B,
Plot No. 31-32, Gachibowli,
Financial District,
Nanakramguda, Hyderabad - 500 032
Tel : +91 40 6716 1591
E-mail: einward.ris@karvy.com.
Website: www.karvy.com

For General Correspondence:
Company Secretary
Allsec Technologies Limited,
46-B, Velachery Main Road, Velachery,
Chennai 600 042.
Tel.: +91 44 4299 7070 Fax: +91 44 2244 7077
E-mail : investorcontact@allsectech.com
Web site: www.allsectech.com

DECLARATION

The Board of Directors of the Company has adopted the "Code of Conduct" for the Directors and Senior Management of the Company.

All the Board Members and the Senior Management Personnel have affirmed their Compliance with the Code for the year 2014-2015.

Place : Chennai
Date : May 20, 2015

R. Jagadish
Director & CEO

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

To

The Members of Allsec Technologies Limited

We have examined the compliance of conditions of corporate governance by Allsec Technologies Limited, for the year ended March 31, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such 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 S.R. BATLIBOI & ASSOCIATES LLP
(ICAI Firm Registration Number: 101049W)
Chartered Accountants

per Aniruddh Sankaran
Partner
Membership No.: 211107

Tidel park, 6 & 7th floor, A-Block,
Module (601, 701-702),
No. 4 , Rajeev Gandhi Salai,
Taramani, Chennai - 600 113

Place : Chennai
Date : May 20, 2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ITES INDUSTRY - DEVELOPMENTS AND OUTLOOK

Despite improved global financial conditions and reduced short term risks, the world economy continues to expand at a subdued pace. Volatility in currency movements for the Euro and other economic challenges were the main reason for softening of Demand from Europe in the second half of last year. The economic turmoil over the years (the effects of the same are still being felt today), coupled with erratic movements of commodity prices, inflation and unemployment, disruptive technologies and increasing competition with changing Customer requirements presents both new challenges and new opportunities for the global industry. Overall global sourcing market grew by 10% in 2014-15 while Global IT-BPM (Business Process Management) industry spending grew by 4.6% in the same period. Worldwide BPM spend alone increased from USD 167 Bn in 2013 to USD 177 Bn in 2014 - an increase of 6%.

Despite challenges in the global market, the Indian IT-BPM industry sustained its growth trajectory by demonstrating flexibility and resolves to adjust to turbulent economic conditions and is expected to clock revenues of USD 146 billion with a Y-o-Y growth rate of 13 per cent. Exports are likely to record a 12.3 percent growth to reach over USD 98 Bn up by USD 11 Bn over last year. Domestic IT BPM market at USD 48 Bn is set to grow faster than exports market at 14% driven largely by the addition of ecommerce business and fast approaching new milestone of USD 50 Bn levels. The Indian IT-BPM sector continues to be one of the largest employers in the country directly employing nearly 3 million professionals, adding over 160,000 employees. FY 2015 can be characterized by rapid evolution, expansion of verticals and geographic markets, attracting new customer segments and offering a considerably wider spectrum of solutions.

The Indian BPM industry is steadily growing and maintains a double digit growth and is expected to touch revenues of USD 26 Bn - increase of 3 Bn over previous year.

Indian BPM Industry - Sector-wise revenue break-up:

	2012-13	2013-14	2014-15 E	% inc
BPM USD billon	20.9	23.5	26.0	11%
Exports USD billion	17.8	20.2	22.5	11%
Domestic INR billion	167	180	210	
Domestic USD billion	3.1	3.3	3.5	8%

Notes:E=: Estimates Figures may not add up due to rounding off.
Source: NASSCOM

Exports

BPM exports today are driven by greater automation, expanding Omni-channel presence, application of analytics across entire value chain etc. It grew by 11% in FY 2015 to touch USD 23 Mn as compared to USD 20 Mn in the previous year.

Domestic

Domestic BPM segment is likely to grow 8 percent to USD 3.5 bn; although there is a growing demand for knowledge services, particularly analytics, it remains a CIS (Customer Interaction and Support) dominated segment. Domestic BPM Companies see continuous demand for outsourcing from home bred firms in the BFSI, telecom, healthcare, retail sectors.

Future Outlook

The future of the global IT BPM industry will be shaped by economic forces and adoption of new technologies. Global BPM spend is expected to grow between 6-7 percent per year over the next 5-7 years and is poised to reach USD 233 billion by 2020. Though US and UK dominate the global BPM spend, there is significant growth in business is expected in emerging Asia Pacific market.

The Indian BPM industry is expected to continue partnering and handholding clients to enable their success story in the new digital era. It is all well set on its goal to reach revenues of USD 42-50 billion in 2020 as per NAASCOM's Projection. At the same time, challenges around economic volatility, protectionism, competition have to be addressed by the Industry.

NAASCOM has projected BPM exports to be somewhere between USD 35.5 billion (with current initiatives) and USD 42.3 Billion (with focussed initiatives and innovation - Accelerated growth) in the year 2020. Though significant contribution of traditional services and sectors to Indian BPM exports will continue, growth opportunities are expected to move from traditional verticals like BFSI and Telecom to newer verticals like healthcare and retail and from horizontals like CIS to new horizontals like KPO (Knowledge Process Outsourcing) and Procurement services.

Similarly, NAASCOM has projected BPM domestic business to be somewhere between USD 6.5 billion (with current initiatives) and USD 7.4 Billion (with focussed initiatives and innovation - Accelerated growth) in the year 2020. The domestic BPM market is expected to be dominated by CIS in the near future. KPO and Technology led services will have a greater share in Domestic BPM market. India is jumping the technology maturity curve and is already a well-established digital economy. Also push from government's Digital India Campaign which envisages USD 20 Bn investment gives a clear opportunity for BPM domestic businesses.

OPPORTUNITIES & THREATS

OPPORTUNITIES

❖ Core Competency

Allsec has always been making efforts to grow by developing its expertise in specific verticals. With our experience of servicing clients over a decade in the US/UK Market, we have the expertise and customizable solutions that focus on customer delight. Our track record on delivery with all our present and past clients has always been very good.

Allsec prides itself on its quality centric, speedy and nimble footed approach in every client engagement. The constant focus on process improvement by automation and continuous benchmarking of delivery to improve focus, have resulted in customer satisfaction every time. Our customers stand testimony to our track record of providing outstanding customer experience and maximizing their Return on Investment. Quality focus has always been our culture and that focus enables us to deliver enhanced business value.

We expanded our offering in the domestic market by positioning our services to suit the domestic business with its unique features like multi language requirements etc. We are now a leading provider in the Indian domestic market too for outsourced solutions in customer engagement, sales & retention and quality assurance for businesses across BFSI, Mortgage, Telecommunication, Retail, Healthcare, Energy & Utilities and Technology.

Client Acquisition

The focus on winning fresh clients across geographies where we can serve on the strength of our core competencies, on the basis of our track record of delivery and positive client references is an ongoing process. With our philosophy of long term client relationships, which has served us well with our clients, we are sure that we will be able to maintain our track record with all our new clients as well.

In the non-voice segment, with the growth of the domestic call centre business, our Quality Assurance process triggered great interest in many of the captive / outsourced centres of domestic Telecom and BFSI segment clients. Having acquired knowledge and experience of servicing in different Indian languages and with a Pan-India presence, we see many opportunities to grow in this segment. Our strength in the platform based HR-BPO business and our track record of delivery coupled with responsive services has helped us expand this business steadily. We expect that our Payroll business will have significant growth across geographies in the next 2 years. During the year we have expanded our market and have acquired a few clients in Manila and we are focused on increasing the HR payroll business in Manila and other geographies including the US market.

❖ Capacity

Today, Allsec has a pan India presence with facilities in 5 locations namely in Delhi, Mumbai, Bengaluru, Chennai and Trichy. The Company has also invested in additional technology investments primarily to cater to its new client addition. Apart from India, we also have a capacity of 600 seats in Manila and around 200 seats in USA.

We are present in 5 distinct segments namely the US onshore, US/UK offshore business opportunities in Manila and India, the Indian domestic business and the global HR payroll services. We are uniquely positioned to sieze opportunities in each of these markets and we are seeing specific opportunity for growth in each of these markets.

THREATS

ATTRITION:

Allsec, is in an industry where attrition is one of the major concern areas. Allsec has an annual attrition of 33% (down from 35% last year) which is almost similar or slightly lower than Industry average.

The Company in the international business faces tough challenge in getting employable manpower from the available manpower pool. Allsec has been investing a lot of resources for training candidates on the basic skills that are required to make them employable.

The attrition rate in the Domestic segment is also on similar lines. Allsec has extended its learning in the International segment to the Domestic market and necessary processes are in place to ensure that right candidates are being hired, trained and retained. However, the availability of employable candidates is higher in the pool available for Domestic segments.

Attrition is a great problem not only for Allsec but for the whole industry. To overcome attrition related issues, Allsec has a number of measures to mitigate the problem as well as to maintain service level and maximize revenue.

RISKS AND CONCERNS

BUSINESS RISKS

The business risks involved in our industry are varied and can be broadly classified as below:

- International Economic Downturn though there is a small recovery in the current year and it might improve marginally in the coming year too.
- Low cost competition from other countries.
- Proposed changes in Legislation
- Protectionist measures by current US Administration affecting scope of outsourcing.
- Increased competition and pricing issues in Domestic market.
- Threat of taxation on outsourcing firms.
- The decline in demand in International market and unutilized capacity in India has forced many International Players including few major companies to concentrate on the Domestic market.
- Possible pricing and volume reduction pressures in the international clientele.

FINANCIAL RISKS

❖ GEOGRAPHICAL CONCENTRATION OF CLIENTS

Our Company has a global footprint and the revenues are still dependent on clients located in US or from Indian subsidiaries of US companies. We are looking to increase the share of our Revenues from US / UK as the margins are better compared to Domestic business. As a result the Company is exposed to various risks typically associated with doing business in various countries, many of which are beyond the control of the management.

❖ EXCHANGE FLUCTUATION

Movements in exchange rates continue to be a major threat. There has been volatility in the exchange rate between INR and USD in the recent years and these currencies may continue to fluctuate significantly in future as well. However the rupee remained at the level of around INR 60 to a Dollar for most part of FY 2015 and has helped our company realise better. We are currently adopting hedging strategies as approved by the Board and in addition, use bank balances in foreign currency to meet our foreign currency liabilities. Also, the increase in share of domestic revenue will mitigate this risk to an extent, although Margins are always better in the international business. Our results of operation will be affected if the rupee-dollar rates continues to behave in a volatile manner in future or rupee appreciates significantly against dollar and other currencies.

❖ INDIAN TAXATION RISK

Taxes and other levies imposed by the Government of India and / or various states including Tamilnadu may affect our performance. In particular we will be affected by the taxes and laws levied by authorities such as Income Tax, Service Tax etc.

❖ LEGAL AND CONTRACTUAL RISKS

Our business is subject to a variety of country specific regulations. Particularly, we must comply with a number of laws in the United States / UK in relation to debt collection and telephone and email based solicitation and the mortgage servicing businesses.

The requirements of many of these regulations are complex and the failure to comply could result in enforcement or private actions which can potentially affect our reputation and in turn adversely affect our business. In addition, these laws are subject to change and new laws affecting our business may be enacted, which could significantly affect the demand for, and our ability to provide certain service offerings and significantly increase the cost of regulatory compliance. However on an ongoing basis we have taken the following steps to mitigate this:

- We have complied with all registrations / renewals concerning telemarketing and collection licenses in US. We monitor this through an internal monitoring mechanism as well as through attorneys / firms appointed in US, specialized in the same.
- We have complied with all relevant provisions governing call centre business in India such as DOT approval and adherence to Do Not call Registry norms.
- All Registrations as required under STPI / Customs / Labor laws and State laws are adequately monitored and complied with.

- There are no specific issues or noncompliance notified in any of these areas during the quarter.
- In respect of client and other commercial contracts such as lease and other purchase contracts, adequate measures are in place for vetting the contracts and due vetting and clearance procedures are followed before signing of contracts.

❖ INFRASTRUCTURE RISKS

The Company has invested substantially in state of the art infrastructure and equipment in its centres in order to provide world-class service to its customers. Service to our clients also depends on the uninterrupted functioning of these equipment, power and stability of telecom network. Any obsolescence in the infrastructure and equipment leading to incompatibility with client's systems or any disruption in the essential services may affect the business of the company.

❖ HUMAN RESOURCES RISK

BPM industry is a labour intensive industry and the Company's success depends on its ability to retain key employees. Historically high employee attrition has been a common feature and our Company has also experienced a very high level of attrition. There have been cases of companies losing BPM orders for not being able to demonstrate a competent team that can manage a large workforce. High level of attrition further complicates the problem. There is a gap between the supply and demand of work force. Further, the available man power is not immediately employable in terms of the skill sets required for the industry. Thus the shortage of supply in quality manpower both at the managerial level and at the agent's level may significantly affect the functioning of the Company.

INTERNAL CONTROL SYSTEMS AND THE IR ADEQUACY:

The Company has a well-defined and documented internal control system that is adequate and commensurate with the size and nature of its business. Adequate checks and balances and control systems are established to ensure that assets of the company are safeguarded and transactions are executed under proper authorization and are properly recorded in the books of account. There exists a proper definition of roles and responsibilities across the organization to ensure information flow and effective monitoring. The Company has an independent Internal Audit carried out periodically by a firm of Chartered Accountants who draw out their audit program based on risk assessments and in consultation with the Audit committee. The Company has an Audit Committee consisting of 4 Directors with three Independent Directors. This committee reviews the internal audit reports, statutory audit reports, the quarterly and/annual financial statements and discusses all significant audit observations and follow up actions arising from them. It further monitors the risk exposures of the company. The committee also reviews and recommends to the Board the terms of appointment of the statutory auditors and internal auditors.

HEAD COUNT

As at 31st March 2015, total number of employees stood at 2765 nos. which is an increase of 212 nos from the previous year end figure of 2553.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Allsec is currently providing voice and data services to its International and Domestic clients. With lower revenue from some key export customers and the domestic business growing substantially, the Exports' share has come down to 1/3 of total Revenues in the year 2014-15.

(Rs. in Million)

For the year ended	Exports	%	Domestic	%	Total income
31 March 2015	327.0	34	647.7	66	974.7
31 March 2014	536.8	50	530.6	50	1067.4

DISCUSSION ON FINANCIAL AND OPERATIONAL PERFORMANCE AND FINANCIAL CONDITION (STANDALONE):

Overview

The following discussion is based on our audited standalone financial statements which have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 2013. 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 except for changes in accounting policy if any made to ensure compliance with law for the applicable periods. The discussion should be read in conjunction with the Audited Standalone Financial statements of the Company and notes on Accounts.

RESULTS OF OPERATIONS - PERFORMANCE SUMMARY

	2014-15		2013-14		% Increase/ (decrease) over previous year*
	Rs. in Million	% of Total revenues	Rs. in Million	% of Total revenues	
INCOME					
Income - Operations	974.7	98	1,067.4	98	(9)
Income - Others	23.6	2	23.7	2	-
A) Income - Total	**998.3**	**100**	**1,091.1**	**100**	**(9)**
COSTS					
Connectivity costs	47.6	5	61.8	6	(23)
Staff cost	615.6	62	580.4	53	6
Other Costs	286.5	29	316	29	(9)
B) Total costs	**949.7**	**95**	**958.2**	**88**	**(1)**
C) Profit before Interest, depreciation & taxes	**48.6**	**5**	**132.9**	**12**	**(63)**
Depreciation & amortization	66.7	7	74.8	7	(11)
Interest	5.6	1	7.7	1	(27)
Interest income	(10.7)	(1)	(3.9)	-	174
D) Profit / (loss) before Taxes	**(13)**	**(1)**	**54.3**	**5**	-
Taxes	4.4	-	-	-	-
E) Profit / (Loss) after Taxes	**(17.4)**	**(2)**	**54.3**	**5**	-

* =-less than 1% (Note: Figures in brackets in tables above indicate negative numbers or losses or decrease)

Earnings per share data (Basic / Diluted)

YE 31 March 2015	Rs. (1.14) / (1.14)
YE 31 March 2014	Rs. 3.57 / 3.47

PROFIT AND LOSS ACCOUNT

1. Income from Operations

The table below provides the details of income and its composition:

(Rs. in Million)

Income	Year Ended March 31, 2015	Year Ended March 31, 2014	Increase/ (Decrease) in %
Exports	327.0	536.8	(39%)
Domestic			
Call centre	392.5	308.0	27%
Payroll	255.2	222.6	15%
Total	974.7	1067.4	(9%)

There is an decrease of 39% in export revenue primarily due to decrease in USD billing by 45% over previous year despite favourable exchange rate.

Domestic revenue has seen an increase of 27% during the year due to addition of few clients with better pricing during the year/previous year which has contributed to both Revenue and PAT.

HR BPO has shown an increase of 15% over previous year.

2. Other Income

Current year stood at Rs 24 million as compared to Rs 24 million in the previous year. The main movements are:

i. We have reversed liabilities no longer required and some credit balances in advances/receivables during the year to the tune of INR 8.05 Mn.

ii. Offset by unfavourable exchange differences to the tune of Inr 7.4 mn.(exchange gain was to the tune of INR 15 Mn in 13-14 while it is at INR 7.6 Mn in 14-15.

3. Expenditure

During the year there is a reduction in total expenditure of Rs.19 Mn while reduction in revenues amounted to Rs.93 Mn. This was primarily due to higher manpower costs due to unfavourable mix of domestic revenues to Export revenues offset by lower connectivity and other cost savings in overheads.

	Year ended March 31, 2015	Year ended March 31, 2014	Favourable / (unfavourable) in % over previous year
	Rs. in Million		%
Connectivity cost (Note 1)	47.6	61.8	23
Employee costs and benefits(Note 2)	615.6	580.4	-6
General and administration expenses (Note 3)	273.7	292.0	6
Selling expenses (Note 4)	12.8	24.0	47
Finance charges	5.6	7.7	27
Depreciation (Note 5)	66.7	74.8	11
Total	1,022.0	1,040.7	2

Note 1: The decrease in cost of connectivity is due to lower overseas call charges and savings due to cost optimization efforts taken by the Company.

Note 2: The increase in employee cost is mainly on account of higher head count during the year as compared to previous year. Normal Salary increase was also given to eligible employees. However due to cost cutting measures there is a reduction in staff welfare and recruitment expenses. There is an increase of 6% or Rs 35 million in salaries and related employee benefits and welfare expenses in the current year. The main reason for the higher employee count despite lower revenue is because of the mix of business, as domestic business increased.

Note 3: The total savings in general and admin expenses in the current year was Rs. 18 million, a decrease of 6% compared to the previous year.

- Last year we have provided for Equity investment and Loans given to subsidiary to the tune of INR 27 mn. During the year we have provided for bad debts to the tune of INR 4 Mn resulting in a saving of INR 23 Mn.
- Last year due to change in Depreciation rules in the Companies Act 2013, there was a one-time charge of INR 8 Mn due to impairment of Assets.
- The increase in infrastructure and administration expenses due to inflation and rent increases were to the tune of INR 13 Mn.

Note 4 - Decrease in selling expenses is primarily due to lower exports sales. Business promotion expenses remained at the same level as of last year.

Note 5 - The decrease in Depreciation is due to change in useful life of certain assets during the year as stipulated in the new Companies Act. Majority of Depreciation expenses was taken to Reserves & surplus as there was no life left for those assets as per new companies Act 2013. Depreciation has reduced by 11% as compared to previous year.

4. Provision for Tax

Provision for tax includes current tax, deferred taxes apart from MAT credit entitlement if any. During this financial year there was no current taxes provision due to loss situation and no MAT payable on account of carry forward loss as per MAT provisions. However we have paid MAT tax in the year 2006-07 and was kept as an asset for taking the credit against Tax payment in future years. Since the management felt that this credit could not be taken within the stipulated time due to carry forward losses, your company has reversed this credit entitlement and shown under current tax amounting to INR 44 Lakhs.

FINANCIAL CONDITION - BALANCE SHEET

(note: Figures given in brackets refer to previous year figures)

1. Share Capital

The Equity Capital of the Company as on March 31, 2015 stands at Rs 152.4 Million and has remained constant over the previous Balance sheet date.

2. Employee Stock Option Plan (ESOP):

Employee Stock Option Scheme (ESOS), 2010:

The shareholders at the Annual General Meeting held on August 4, 2010, have approved an Employee Stock Option Scheme 2010 which provides for an issue of 600,000 options to the employees. Consequently, the compensation committee had granted the 390,000 options on August 4, 2010 at an exercise price of

Rs. 45.05 /- per share and 100,000 options on August 2,2012 at an exercise price of Rs. 45.05 per share. Out of the 490,000 options granted, 222,000 options have been cancelled/lapsed as on March 31, 2015 and balance of 268,000 are outstanding as at 31 March 2015.

3. Reserves and Surplus

The Company's Reserves and Surplus as on March 31, 2015 stood at Rs. 993 million represented by capital reserve at Rs. 25.1 million (same as last year), share premium on the equity shares amounting to Rs. 1,202 million (same as last year), Rs. 141 million representing General Reserve (same as last year), Rs. 376 million (previous year: Rs. 319 Mn) representing debit balance in the profit and loss account, an increase of Rs. 17.4 Million during the year being the loss for the period and the reasons for the decrease in profits for the year has been explained in the above paragraphs under Profit and Loss Account. Balance of INR 40 Mn represents additional depreciation due to asset reaching the revised useful lives as prescribed by Companies Act 2013.

4. Long Term Borrowings

Secured loan balance of Rs. 5.9 Mn represents balance payable towards Finance lease obligation (HP loans). This has decreased by Rs. 2.9 million during the year from Rs. 8.8 million as at 31 March 2014 and this is primarily due to net repayment of HP loans during the year. This loan is for eligible employees availing the Car scheme of the company which is a welfare measure provided by the Company.

5. Provisions

Due to change in the new Format of Schedule VI of Companies Act, provisions were categorized into long term and short term.

Provision for Gratuity for the current year is at Rs. 23 Mn as against Rs. 20 Mn in the previous year Rs. 5 Mn out of Rs. 23 Mn is considered as Long term and shown accordingly.

Provision for Leave benefits for the current year is at Rs. 7.0 Mn as against Rs. 7.3 Mn in the previous year. Long term provision is NIL.

Provision for Employee bonus has come down from Rs. 2.7 Mn to Rs. 1.4 Mn as at 31 March 2015.

6. Short term Borrowings:

This represents bank overdraft and there is a balance of INR 8.5 Mn as at 31 March, 2015 while we have not utilized any amount from the banks for our working capital needs as at 31 March 2014. (Fund based limits: INR 40 Mn with interest rate of 13.70%).

7. Other Current Liabilities

Trade payables being payable to suppliers of goods and services has come down by INR 20 Mn from INR 70 Mn to INR 50 Mn.

Other liabilities at INR 31 Mn as against INR 27 Mn in previous year mainly due to withholding and other tax payables.

8. Fixed Assets – Tangible

Additions to Fixed Assets amounted to Rs. 9.7 million (previous year: Rs. 6.6 Mn) in tangible fixed assets primarily due to additions to call centre equipment and Computers and Servers - Rs. 3.6 million and office equipment of Rs. 2.4 million.

The total assets disposed off during the year amounted to Rs. 52 Mn (Previous year: Rs. 39 Mn) The Assets sold were Call center equipment and Computers and servers - Rs. 19 Mn and office equipments and Furniture and Fixtures - Rs. 1.9 Mn and Vehicles - Rs. 1.9 Mn and Lease hold improvements INR 28.8 Mn.

After providing for depreciation of Rs 41 Mn (Previous year: Rs. 41 Mn) for the year, the net block of fixed assets stood at Rs. 69 million as on March 31, 2015 compared to Rs. 141 million as at March 31, 2014. During the year the net block was lower by INR 39 Mn mainly due to depreciation charged and taken to Reserves due to change in Useful lives of certain assets as per new Companies Act 2013.

9. Fixed Assets - Intangible

Intangible assets comprise block of software used for call centre operation and goodwill. During the year there was an addition in Software of Rs. 14 million.

The goodwill which arose on business purchase of the call centre division of i2i Telesource Pvt Ltd in earlier year is being fully amortized at the end of last year. The closing net block of software is Rs. 24 Mn as at 31 March 2015 and Rs. 35 Mn as at 31 March 2014.

Non-Current Investments

Total Investments represent the amount of equity capital invested in our subsidiaries.

During the year the investment in Centigral amounting to INR 3.5 Mn (which was provided for last year) were written off consequent to closure of this subsidiary.

10. Loans and Advances

Long Term Loans and Advances:

(Rs. in Million)

Head	As at March 31, 2015	As at March 31, 2014
Security Deposits	47.3	45.1
Loan to related party	95.7	23.9
Less provided during the year		(23.9)
Prepaid expenses	0.5	1.4
Taxes receivable	159.9	173.9
Total	303.4	220.4

Deposits primarily reflect the security deposits for utilities and office premises paid.

During the year we have given loan to our wholly owned Subsidiary in USA amounting to INR 95.7 Mn for meeting their working capital requirements which arose due to new contract signed by the subsidiary.

Short Term Loans and Advances:

Head	As at March 31, 2015	As at March 31, 2014
Security Deposits	0.0	0.1
Advances recoverable	2.6	4.2
Prepaid expenses	8.0	9.5
Balances with Statutory authorities	2.5	2.1
Total	**13.1**	**15.9**

Deposits primarily reflect the security deposits for utilities and office premises paid. There is a repayment of deposits during the year due to closure of centers.

11. Trade Receivables

Current Trade receivable decreased to Rs. 232 million as at March 31, 2015 as against Rs. 234 million as at March 31, 2014.

Current Trade receivables from related parties amounted to Rs. 70 Mn as compared to Rs. 54 million in the previous year representing additional invoices during the year.

The sundry debtors in terms of days of sales (DSO) at 86 days as at March 31, 2015 (88 days for previous year). The DSO without considering the receivables from related party is at 63 days for the current year.

12. Other Assets

Non Current bank balances represent the Fixed Deposit given as a Margin Money for opening SBLC with Banks and are maturing after 31 March 2016. Interest accrued on those deposits is also classified with the deposit as Long term.

Other current assets represent Fixed Deposits which are maturing before 31 March 2015 and interest accrued on those deposits and unbilled revenues of Rs 3 Mn.

13. Current Investments

Current investments represent balances invested in mutual funds. The Balance as at 31 March 2015 is Rs. 17.5 Mn as compared to Rs.107 Mn as at 31 March 2014. The decrease is mainly due to funding of working capital needs of our subsidiary.

14. Cash and Bank Balances

Cash and Bank balances decreased to Rs. 37 Mn as at 31 March 2015 as against Rs. 60 Mn as at 31 March 2014. This represents yearend cash and bank balances available in current and deposit accounts including margin money deposits accounts.

EXTRACT OF ANNUAL RETURN

MGT- 9

as on the financial year ended on 31/03/2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. Regisration and other Details

(i)	CIN	:	**L72300TN1998PLC041033**
(ii)	Registration Date	:	**24/08/1998**
(iii)	Name of the company	:	**Allsec Technologies Ltd**
(iv)	Category /subcategory of the company	:	**Company Limited By Shares**
(v)	Address of the Registered office and contact details	:	**No 7H, Century Plaza, No 560-562, Anna salai, Teynampet , Chennai - 600018.**
(vi)	Whether listed Company	:	**Yes**
(vii)	Name address and contact details of Registrar and Transfer Agent, if any	:	**Karvy Selenium Towers, No - B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032**

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:

S. No	Name and description of main products / services	NIC code of the product service	% to total turnover of the company
1	Call centre services	82200	73%
2	Payroll Processing	78300	27%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No	Name and address of the Company	CIN/GLN	Holding /Subsidiary/ Associate	% of shares Held	Applicable Section
1	Allsectech Inc, USA	Foreign Company	Wholly owned subsidiary	100	2 (87)
2	Allsectech Manila Inc	Foreign Company	Wholly owned subsidiary	100	2 (87)
3	Retreat capital Management Inc	Foreign Company	Wholly owned subsidiary	100	2 (87)

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

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
(A) Promoter & Promoter Group									
(1) Indian									
a) Individual/HUF	5399381	-	5399381	35.43	5399381	-	5399381	35.43	-
b) Central government	-	-	-	-	-	-	-	-	-
c) State govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Others	-	-	-	-	-	-	-	-	-
Sub total A (1):	5399381	-	5399381	35.43	5399381	-	5399381	35.43	-
(2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub total A (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter A = A1+ A2	5399381	-	5399381	35.43	5399381	-	5399381	35.43	-
B) Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions									
a) Mutual Funds	502932	-	502932	3.30	502932	-	502932	3.30	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	-	-	-	-	-	-	-	-	-
g) FIIs	498816	-	498816	3.27	498816	-	498816	3.27	-

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
i) Funds others specify (QFI)	81570	-	81570	0.54	182558	-	182558	1.20	0.66
Sub total (B) (1)	5876176	-	5786176	37.97	5887164	-	5887164	38.63	-
2) Non Institutions									
a) Bodies Corp.	247749	100	247849	1.63	296126	100	296226	1.94	0.31
b) Individuals									
i) individual shareholders holding nominal share capital upto Rs.1 Lakh	1373832	79	1373911	9.02	1471692	94	1471786	9.66	0.64
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2188297	-	2188297	14.36	1993557	-	1993557	13.08	1.28
c) Others (specify) (NRI) (trust)&(CM)	242712	-	242712	1.59	190212	-	190212	1.25	0.34
Subtotal (B) (2)	4052590	179	4052769	26.60	3951587	194	3951781	25.93	
Total Public shareholding (B)=(B1+B2)	9838766		9838945	64.57	9838751	194	9838945	64.57	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0		0	0
Grand Total									
(A+B+C)	15238147	179	15238326	100.00	15238132	194	15238326	100.00	

ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share holding
1	A SARAVANAN	2737119	17.96	0	2737119	17.96	0	-
2	R JAGADISH	2662262	17.47	0	2662262	17.47	0	-
	Total	5399381	35.43	0	5399381	35.43	0	

iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sl. No	Shareholder's Name	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
1	**A.Saravanan**				
	At the beginning of the year	**2737119**	**17.96%**	**2737119**	**17.96%**
	Date Wise Increase / Decrease in promoters share holding during the year specifying the reason for increase / decrease (eg.allotment / transfer / bonus / sweat equity	-	-	-	-
	At the End of the Year	**2737119**	**17.96%**	**2737119**	**17.96%**
2	**R JAGADISH**				
	At the beginning of the year	**2662262**	**17.47%**	**2662262**	**17.47%**
	Date Wise Increase / Decrease in promoters share holding during the year specifying the reason for increase / decrease (eg.allotment / transfer / bonus / sweat equity	-	-	-	-
	At the End of the Year	**2662262**	**17.47%**	**2662262**	**17.47%**

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and holders of GDRs & ADRs)

Sl. No	For Each of the Top 10 Shareholders		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
1	**FIRST CARLYLE VENTURES MAURITIUS**					
	At the beginning of the year		4192858	27.52	4192858	27.52
	At the end of the year				4192858	27.52
2	**ASHISH DHAWAN**					
	At the beginning of the year		1075115	7.06	1075115	7.06
	At the end of the year				1075115	7.06
3	**FIRST CARLYLE VENTURES MAURITIUS**					
	At the beginning of the year		510000	3.35	510000	3.35
	At the end of the year				510000	3.35
4	**DNB FUND A/C DNB FUND - ASIAN SMALL CAP**					
	At the beginning of the year		498816	3.27	498816	3.27
	At the end of the year				498816	3.27

Sl. No	For Each of the Top 10 Shareholders		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
5	**UTI-MID CAP FUND**					
	At the beginning of the year		455611	2.99	455611	2.99
	At the end of the year				455611	2.99
6	**MATHEW CYRIAC**					
	At the beginning of the year		195472	1.28	195472	1.28
	02/05/2014	Transfer	-125000	-0.82	70472	0.46
	At the end of the year				70472	0.46
7	**ANNAPURNA SRIDHAR**					
	At the beginning of the year		91852	0.60	91852	0.60
	18/07/2014	Transfer	-2200	-0.01	89652	0.59
	25/07/2014	Transfer	-8000	-0.05	81652	0.54
	01/08/2014	Transfer	-5611	-0.04	76041	0.50
	08/08/2014	Transfer	-4906	-0.03	71135	0.47
	15/08/2014	Transfer	-6001	-0.04	65134	0.43
	19/09/2014	Transfer	-18034	-0.12	47100	0.31
	31/10/2014	Transfer	-6000	-0.04	41100	0.27
	07/11/2014	Transfer	-10739	-0.07	30361	0.20
	14/11/2014	Transfer	-7104	-0.05	23257	0.15
	21/11/2014	Transfer	-3282	-0.02	19975	0.13
	28/11/2014	Transfer	-19975	-0.13	0	0.00
	At the end of the year				0	0
8	**JANE SEQUEIRA PINTO**					
	At the beginning of the year		87613	0.57	87613	0.57
	30/06/2014	Transfer	-5.00	0.00	87608	0.57
	04/07/2014	Transfer	-16500.00	-0.11	71108	0.47
	11/07/2014	Transfer	-2000.00	-0.01	69108	0.45
	18/07/2014	Transfer	-8781.00	-0.06	60327	0.40
	22/08/2014	Transfer	-4667.00	-0.03	55660	0.37
	29/08/2014	Transfer	-1065.00	-0.01	54595	0.36
	05/09/2014	Transfer	-6072.00	-0.04	48523	0.32
	12/09/2014	Transfer	-10000.00	-0.07	38523	0.25

Sl. No	For Each of the Top 10 Shareholders		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
	19/09/2014	Transfer	-9564.00	-0.06	28959	0.19
	30/09/2014	Transfer	-5927.00	-0.04	23032	0.15
	10/10/2014	Transfer	-5700.00	-0.04	17332	0.11
	17/10/2014	Transfer	-1804.00	-0.01	15528	0.10
	24/10/2014	Transfer	-1791.00	-0.01	13737	0.09
	31/10/2014	Transfer	-9400.00	-0.06	4337	0.03
	07/11/2014	Transfer	-4000.00	-0.03	337	0.00
	At the End of the year				337	0
9	**TORREY PINES INVESTMENTS LIMITED**					
	At the beginning of the year		81570	0.54	81570	0.54
	04/04/2014	Transfer	-644	0.00	82214	0.53
	02/05/2014	Transfer	3000	0.02	85214	0.55
	09/05/2014	Transfer	16580	0.11	101794	0.64
	16/05/2014	Transfer	6954	0.05	108748	0.60
	23/05/2014	Transfer	9006	0.06	117754	0.70
	06/06/2014	Transfer	1975	0.01	119729	0.61
	25/07/2014	Transfert	30000	0.20	149729	0.90
	01/08/2014	Transfer	32829	0.22	182558	0.83
	At the end of the year				182558	0.9
10	**INDIANIVESH SECURITIES PRIVATE LIMITED**					
	At the beginning of the year		80000	0.52	80000	0.52
	25/04/2014	Transfer	-30000	-0.20	50000	0.33
	19/12/2014	Transfer	-13000	-0.09	37000	0.24
	31/12/2014	Transfer	-37000	-0.24	0	0.00
	At the end of the year				0	0

v) Shareholding of directors and key Managerial personnel:

Sl. No	Shareholder's Name	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
1	**R JAGADISH**				
	At the beginning of the year	**2662262**	**17.47%**	**2662262**	**17.47%**
	Date Wise Increase / Decrease in promoters share holding during the year specifying the reason for increase / decrease (eg.allotment / transfer / bonus / sweat equity	**-**	**-**	**-**	**-**
	At the End of the Year	**2662262**	**17.47%**	**2662262**	**17.47%**
2	**K. Narasimhan**				
	At the beginning of the year	0	0.00%	0	0.00%
	Date Wise Increase / Decrease in promoters share holding during the year specifying the reason for increase / decrease (eg.allotment / transfer / bonus / sweat equity	-	-	-	-
	At the End of the Year	0	0.00%	0	0.00%
3	**A. Mohan Kumar**				
	At the beginning of the year	10	0.00%	10	0.00%
	Date Wise Increase / Decrease in promoters share holding during the year specifying the reason for increase / decrease (eg.allotment / transfer / bonus / sweat equity	-	-	-	-
	At the End of the Year	10	0.00%	10	0.00%

V. INDEBTNESS

Indebtness of the Company including interest outstanding /accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the beginning of the financial year				
i) Principal Amount	144	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	(23)	-	-	-
Total (i+ii+iii)	121	-	-	-

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Change in Indebtness during the financial year				
• Addition	91	-	-	-
• Reduction	(21)	-	-	-
Net Change	70	-	-	
Indebtness at the end of the financial year				
• Principal Amount	191	-	-	-
• Interest due not paid	-	-	-	-
• Interest accrued but not due	(14)	-	-	-
Total (i + ii + iii)	177	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl.No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr. R. Jagadish, Director & CEO	
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	**84,00,000**	**84,00,000**
	b) Value of perquisites u/s17(2) Income-tax Act,1961	-	-
	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	-	-
	Total (A)	**84,00,000**	**84,00,000**
	Ceiling as per the Act	**84,00,000**	**84,00,000**

B . Remuneration to other Directors:

S.No	Particulars of Remuneration	Name of Directors				Total Amount
		Dr. Bala V. Balachandran	Mr. T. Anantha Narayan	Mr. Krishnakumar Srinivasan	Mr. S. Premkumar	
	• Fee for attending board / committee meetings	40,000	1,80,000	1,20,000	1,20,000	4,60,000
	• Commission • Others, please specify	-	-	-	-	-
Total Managerial Remuneration		40,000	1,80,000	1,20,000	1,20,000	4,60,000
Overall Ceiling as per the Act						

C. Remuneration to other Directors Key Managerial Personnel other than MD/MANAGER/WTD

S.No	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,22,168	37,79,508	57,01,676
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option (No. of Shares)	6,000	15,000	21,000
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
Total (A)		19,22,168	37,79,508	57,01,676

VII. VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
Penalty		-			
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty		-			
Punishment					
Compounding					

Form No. MR-3

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31st MARCH, 2015

(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

Allsec Technologies Limited

No.7H, Century Plaza 560-562,Anna Salai

Chennai-18.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Allsec Technologies Limited (hereinafter called 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 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 ended on 31st March, 2015, 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:

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 31st March, 2015 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made there under;
2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
5) The following Regulations and Guidelinesprescribed 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;
    (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) Guidelines,1999;
    (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
6) Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
7) Information Technology Act, 2000 and Information Technology Amendment Act, 2008

8) Employee State Insurance Act, 1948

9) Income Tax Act, 1961

10) Service Tax Act, 1994

11) Payment of Gratuity Act, 1972

12) The Maternity Benefit Act, 1961

13) Customs Act, 1962

14) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 Industrial Employment (Standing Orders) Act, 1946

15) Tamil Nadu Shop and Establishment Act, 1947 and other state laws.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance 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 were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

We further report that 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 during the audit period, there were no instances of:

(i) Public / Rights / Preferential issue of shares / debentures / sweat equity.

(ii) Redemption / buy-back of securities.

(iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.

(iv) Merger / amalgamation / reconstruction etc.

(v) Foreign technical collaborations.

Name of the Company Secrerary in Practice:

P. Sriram & Associates
FCS No: 4862
CP No: 3310

Place : Chennai
Date : 20th May 2015

FORM No. AOC-2

(Pursuant to Clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third provisio thereto:

1. Details of Contracts or arrangements or transactions not at arm's length basis : Nil
   a) Name (s) of the Related Party and nature of relationship:
   b) Nature of contracts/arrangements/transactions:
   c) Duration of the Contracts/arrangements/ transaction/:
   d) Silent terms of the Contracts or arrangements or transactions including the value if;any
   e) Justification for entering into such contracts or arrangements or transactions :
   f) Date(s) of approval by the Board :
   g) Amount paid as advances if any:
   h) Date on which the special resolution was passed in general meeting as required under first provisio to Section 188:
2. Details of material contracts or arrangement or transactions at arm's length basis
   a) Name (s) of the related party and nature of relationship:
      i) **Allsectech Inc, USA**
      ii) **Retreat Capital Management, Subsidiary Companies**

   (b) Nature of contracts/arrangements/transactions : **Sales agreement**

   (c) Duration of the contracts / arrangements/ transactions: **2 years**

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Selling Commission of 5% to Allsectech Inc, USA**

(Rs. in Lakhs)

Particulars	Amount as at 31st March 2015
Selling commission – expenses	
-- Allsectech Inc.	128
Service income -billed to	
--Allsectech Inc.	51
-- Retreat Capital Management Inc	84

   (e) Date(s) of approval by the Board, if any: **6th November 2014**

   (f) Amount paid as advances, if any: **Not Applicable**

On Behalf of the Board Directors

R. Jagadish

Director

Place : Chennai

Date : 20th May 2015

Disclosure as per Securities and Exchange Board of India (Employees Stock option Scheme and Employee Stock Purchase Scheme) Guidelines, 2011

Employees Stock Option Schemes

The Compensation Committee of the Board authorized the grant of the following options to the eligible employees in terms of the relevant Schemes. Upon exercise, the holders of each stock option are entitled to one equity share.

Date of Grant	ESOS 2010	Exercise Price (per option)
August 4, 2010	390000	Rs. 45.05

	Descriptions	ESOS 2010
a.	Options granted on 04.08.2010	390000
b.	The pricing formula	At the Market Price
c.	Options vested	NIL
d.	Options exercised	NIL
e.	The total number of shares arising as a result of exercise of options	NIL
f.	Options Cancelled	NIL
g.	Options lapsed	126000
h.	Variation of terms of options	N.A
i.	Money realized by exercise of options	NIL
j.	Total number of options in force	264000

k. Employee wise details of options granted to:

(i) Senior Managerial Personnel:

Name	Designation	No. of Options granted under ESOS 2010
Mr. R.Vaithiyanathan	Senior Vice President Operations & HR	25000
Mr. C. Mahadevan	Vice President HR BPO	20000
Mr.K. Narasimhan	Vice President Finance	15000
Mr. Saravanan Thambusamy	Vice President Technology	15000
Mr. C.S.Bapaiah	Vice President – HR	20000

(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during the year. - Not Applicable.

(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the company at the time of grant. - Not Applicable

l. Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard 20. (Rs. 1.17)

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, had the Compensation cost for ESOS 2010 been recognized based on the fair value at the date of grant in accordance with binomial method, the amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	Profit / (Loss) after tax (Rs in Lakhs's)	Basic EPS (Rs.)	Diluted EPS (Rs.)
Year ended March 31, 2015			
- Amounts as Reported	(174)	(1.14)	(1.14)
- Amounts as per pro-forma	(174)	(1.14)	(1.14)
Year ended March 31, 2014			
- Amounts as Reported	543	3.57	3.47
- Amounts as per pro-forma	543	3.57	3.47

The fair value of options was estimated at the date of grant using the binomial method with the following assumptions:

Particulars	ESOS 2010
Risk-free interest rate	7.25%
Expected life	5 years
Expected volatility	56%
Expected dividend yield	-
Share price on the date of grant on 04.08.2010	Rs.45.05
Share price on the date of grant on 02.08.2012	Rs.41.25
Expected forfeiture	30%

For and on behalf of the Board of Directors

A. Saravanan
Director

R. Jagadish
Director

Place : Chennai
Date : 20th May 2015

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER TO THE BOARD

We hereby certify that -

a. We have reviewed financial statements for the period ended March 31, 2015 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal control over Financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to Financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

d. We have indicated wherever applicable, to the Auditors and the Audit Committee:

   i. significant changes in internal control over Financial reporting during the quarter;

   ii. significant changes in accounting policies during the quarter, if any and that the same have been disclosed in the notes to the financial statements and

   iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

R. Jagadish
Director & CEO

K. Narasimhan
Chief Financial Officer

Place : Chennai

Date : May 20, 2015

To

The Members of Allsec Technologies Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Allsec Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The 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 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 accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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, issued by the Institute of Chartered Accountants of India, specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such internal control. An audit also includes evaluating the appropriateness of 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 aforesaid 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 March 31, 2015, of its loss 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, 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 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

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;

   (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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;

   (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 if any of pending litigations on its financial position in note-34 of financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm's Registration Number: 101049W

per Aniruddh Sankaran
Partner

Membership Number: 211107

Place : Chennai
Date : 20th May 2015.

Annexure 1 referred to in our report of even date.

Re: Allsec Technologies Limited ("the Company")

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4 (ii) of the Order are not applicable to the Company.

(iii) (a) The Company has granted loans, to subsidiary, which is covered in the register maintained under section 189 of the Companies Act, 2013. The loans granted and the interest thereon are re-payable on demand. We are informed that the Company has not demanded repayment of any such loan and the interest thereon during the year, and thus, there has been no default on the part of the parties to whom the money has been lent.

(b) There is no overdue amount of loans granted to the party listed 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 an 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 rendering of services. The activities of the Company do not involve any purchase of inventory and sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

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

(vi) To the best of our knowledge and as explained, owing to the nature of business, in our opinion, the provisions of clause 3 (vi) of the Order are not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues were outstanding, at the year end, 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, wealth-tax, service tax, customs duty, value added tax and cess which have not been deposited on account of any dispute, other than the following

Nature of statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	*	2004 to 2009	Commissioner of Income Tax (Appeals)

*The order passed by the assessing officer has impact on the unabsorbed losses and unabsorbed depreciation that can be carried forward. Hence, the amount of demand has not been disclosed.

(d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

(viii) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and the Company has not incurred any cash losses in the current financial year and also in the previous financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and financial institutions. The Company has no dues to debenture holders.

(x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm's Registration Number: 101049W

per Aniruddh Sankaran
Partner
Membership Number: 211107

Place : Chennai
Date : 20th May 2015.

Balance Sheet

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	Notes	As at March 31, 2015	As at March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,524	1,524
Reserves and surplus	4	9,928	10,497
		11,452	12,021
Non-current liabilities			
Long-term borrowings	5	59	88
Long-term provisions	6	51	43
		110	131
Current liabilities			
Short-term borrowings	7	85	-
Trade payables	8	498	708
Other current liabilities	8	315	268
Short-term provisions	9	266	255
		1,164	1,231
Total		12,726	13,383
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	689	1,415
Intangible assets	10	238	352
Capital work-in-progress		-	2
Non-current investments	11	5,107	5,107
Long-term loans and advances	12	3,034	2,204
Other non-current assets	13	288	71
		9,356	9,151
Current assets			
Current investments	14	175	1,072
Trade receivables	15	2,323	2,344
Cash and bank balances	16	369	602
Short-term loans and advances	17	131	159
Other current assets	18	372	55
		3,370	4,232
Total		12,726	13,383

Summary of significant Accounting policies - Refer Note 2.1 to the financial statements.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

per Aniruddh Sankaran
Partner
Membership No: 211107

Place : Chennai
Date : May 20, 2015

For and on behalf of the Board of Directors

A. Saravanan
Director

R. Jagadish
Director

K. Narasimhan
Chief Financial Officer

A. Mohan Kumar
Company Secretary

Profit and Loss Account

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	Notes	Year ended March 31, 2015	Year ended March 31, 2014
Income			
Revenue from operations(net)			
- Income from IT enabled services		**9,747**	10,674
Other income	19	**236**	237
Total revenue (I)		**9,983**	10,911
Expenses			
Connectivity costs		**476**	618
Employee benefits expense	20	**6,156**	5,804
Other expenses	21	**2,865**	3,160
Total (II)		**9,497**	9,582
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		**486**	1,329
Depreciation and amortization expense	10	**667**	748
Finance costs	22	**56**	77
Interest Income	23	**(107)**	(39)
Profit / (loss) before tax		**(130)**	543
Tax expenses			
MAT Credit entitlement written off		**44**	-
Profit / (loss) for the year		**(174)**	543
Earnings per equity share	35		
Net profit / (loss) available to equity shareholders		**(174)**	543
Basic earnings per share		**(1.14)**	3.57
Diluted earnings per share		**(1.14)**	3.47
Par value		**10**	10

Summary of significant Accounting policies - Refer Note 2.1 to the financial statements.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

per Aniruddh Sankaran
Partner
Membership No: 211107

Place : Chennai
Date : May 20, 2015

For and on behalf of the Board of Directors

A. Saravanan
Director

R. Jagadish
Director

K. Narasimhan
Chief Financial Officer

A. Mohan Kumar
Company Secretary

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
A. Cash flow from operating activities		
Profit / (Loss) before tax	**(130)**	543
Adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortization	**667**	748
Impairment loss / loss on fixed assets written off	**12**	76
Unrealized foreign exchange loss/(gain)	**(66)**	78
Bad debts written off / Provisions for loans to subsidiary and Provision for dimunition, other than temporary in value of investments	**36**	275
Interest expense	**16**	37
Net gain on sale of current investments	**(77)**	(77)
Liabilities No Longer Required	**(45)**	(9)
Interest income	**(107)**	(39)
Dividend income	**-**	(1)
Operating profit before working capital changes	**306**	1,631
Movements in working capital :		
Increase / (decrease) in trade payables and other current liabilities	**(125)**	(23)
Increase / (decrease) in provisions	**19**	-
Decrease / (increase) in trade receivables	**40**	(62)
Decrease / (increase) in loans and advances	**15**	(86)
Decrease/(increase) in other assets	**(493)**	(25)
Cash generated from / (used in) operations	**(238)**	1,435
Direct taxes paid (net of refunds)	**96**	(219)
Net cash flow from / (used in) operating activities (A)	**(142)**	1,216
B. Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	**(238)**	(222)
Proceeds from sale of fixed assets	**6**	13
Investment in subsidiary	**-**	(932)
Loans advanced to subsidiary	**(942)**	(115)
(Investments in) / withdrawal from term deposits	**188**	(102)
Proceeds of current investments	**2,478**	6,778
Purchase of current investments	**(1,508)**	(6,885)
Interest received	**66**	44
Dividends received on current investments	**-**	1
Net cash flow from / (used in) investing activities (B)	**54**	(1,420)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
C. Cash flow from financing activities		
Proceeds from long-term borrowings	**8**	29
Repayment of long-term borrowings	**(35)**	(25)
Proceeds from short-term borrowings	**85**	-
Interest paid	**(16)**	(37)
Net cash flow from / (used in) in financing activities (C)	**42**	(33)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(46)**	(237)
Effect of exchange differences on cash & cash equivalents held in foreign currency	**1**	(3)
Cash and cash equivalents at the beginning of the year	**190**	430
Cash and cash equivalents at the end of the year	**145**	190
D. Components of cash and cash equivalents		
Cash on hand	**2**	1
With banks		
-- on current account*	**143**	189
Total cash and cash equivalents (note 16)	**145**	190

Summary of significant Accounting policies - Refer Note 2.1 to the financial statements.

*Includes restricted cash balance amounting to Rs. Nil in the current year and Rs. 55 in the previous year.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

per Aniruddh Sankaran
Partner
Membership No: 211107

Place : Chennai
Date : May 20, 2015

For and on behalf of the Board of Directors

A. Saravanan
Director

R. Jagadish
Director

K. Narasimhan
Chief Financial Officer

A. Mohan Kumar
Company Secretary

1. Corporate information

Allsec Technologies Limited ('Allsec' or the 'Company') is a public Company domiciled in India and incorporated on August 24, 1998 as a limited Company under the Companies Act, 1956 and is listed on the National Stock Exchange of India ('NSE') and Bombay Stock Exchange Limited ('BSE'). The Company is engaged in the business of providing IT enabled services for customers located in India and outside India. The services provided by the Company include data verification, processing of orders received through telephone calls, telemarketing, monitoring quality of calls of other call centers, customer services and HR and payroll processing. The Company has delivery centers at Chennai, Bengaluru, Mumbai, Delhi and Trichy.

Pursuant to a settlement agreement between the Company, Retreat Capital Management Inc., USA ('Retreat') and the erstwhile promoter of Retreat, dated January 26, 2015, Retreat had cancelled the minority shareholding and thereby becoming a 100% subsidiary in the current year.

As at the year end, the Company has three subsidiaries, Allsectech Inc., USA, Allsectech Manila Inc., Philippines, and Retreat Capital Management Inc., USA. Also refer note 25.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets for which provision for impairment is made and revaluation is carried out, if applicable.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for those changes as explained below.

2.1 Summary of significant accounting policies

Change in accounting policy

Depreciation on fixed assets

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956 prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets.

Useful lives / depreciation rates

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as the minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows Companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets resulting in an adjustment of INR 395 to the opening retained earnings. Had the Company continued to follow the earlier useful life, the depreciation expense for the period would have been lower by INR 120, profit before tax would have been higher by INR 120 and the net book value of fixed assets would have been higher by INR 515 .

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Depreciation on assets costing less than Rs. 5,000/-

Till year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase. To comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciation of assets costing less than Rs. 5,000/- over their useful life as assessed by the management.

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(c) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management and is in accordance with the useful lives prescribed in Schedule II of Companies Act, 2013. The Company has used the following rates to provide depreciation on its fixed assets.

Asset Description	Useful Lives (Years)
Plant and machinery	3 - 10
Furniture and fixtures	10
Office Equipments	5
Vehicles	10

Leasehold improvements are amortised over the estimated useful lives or the remaining primary lease period (3 – 4 years), whichever is less.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequent to initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the Company's intangible assets is as below:

Computer software

Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software (4 years), or over the license period of the software, whichever is shorter.

Goodwill

Goodwill is amortized using the straight-line method over a period of five years based on management estimates.

(e) Leases

Where the Company is the lessee:

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

An asset under finance lease is depreciated on a straight-line basis over the useful life of the asset.

However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term.

The Company has adopted 10 years as the useful life of vehicles taken on finance lease.

(f) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(h) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Income from services

Income from IT enabled services is derived from both time based and unit priced contracts. Revenue is recognized as the related services are performed in accordance with the specific terms of the contract with the customer.

Unbilled revenue represents accrual of income relating to services provided but not billed as at the year end.

Dividend income

Dividend income is recognized when the right to receive payment is established by the reporting date.

Interest

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

(i) Foreign currency translation

Foreign currency transactions and balances

i. Initial recognition

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

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange difference

All exchange differences arising on settlement / conversion of foreign currency transactions are recognized as income or expenses in the period in which they arise.

iv. In respect of forward exchange contracts entered into to hedge the foreign currency risk of the underlying monetary assets / liabilities, the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the statement of profit and loss account in the reporting period in which the exchange rates change.

The premium or discount on all such contracts arising at the inception of each contract is amortized as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the period.

(j) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid the deficit payable to the scheme is recognized as liability after deduction the contribution already paid. If the contribution already paid exceeds the contribution due for service received before the balance sheet date then excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or cash refund.

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation. The costs of providing benefits under such plans are determined on the basis of actuarial valuation at each year-end. The actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

The Company recognizes termination benefit as a liability and an expense when the Company 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 and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

(k) Income taxes

Tax expense comprises current and deferred tax. Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(l) Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

(m) Segment reporting

Identification of segments

The Company’s operations predominantly relate to IT enabled services and accordingly this is the only primary reportable segment. The Company has considered geographical segment as the secondary segment, based on the location of the customers invoiced.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(n) Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit or loss after tax attributable to equity share holders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares, if any, which would have been issued on the conversion of all dilutive potential equity shares.

(o) Provisions

A provision is recognized when the Company 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 and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(q) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(r) Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

(s) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, interest income, finance costs and tax expense.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
3	**Share capital**		
	Authorized shares		
	20,000,000 (March 31, 2014: 20,000,000) Equity shares of Rs. 10/- each	**2,000**	2,000
	1,350,000 (March 31, 2014: 1,350,000) Convertible Preference Shares of Rs. 100/- each	**1,350**	1,350
	Issued, subscribed and fully paid-up shares		
	15,238,326 (March 31, 2014: 15,238,326) Equity Shares of Rs. 10/- each fully paid up	**1,524**	1,524
	Total issued, subscribed and fully paid-up share capital	**1,524**	1,524

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	March 31, 2015		March 31, 2014	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	**15,238,326**	1,524	15,238,326	1,524
Issued during the period	**-**	-	-	-
Outstanding at the end of the period	**15,238,326**	1,524	15,238,326	1,524

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company has not declared any dividend during the current year as well as the previous year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Equity shares of Rs.10/- each fully paid

Name of shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Saravanan A	**2,737,119**	**17.96%**	2,737,119	17.96%
Jagadish R	**2,662,262**	**17.47%**	2,662,262	17.47%
First Carlyle Ventures Mauritius	**4,702,838**	**30.86%**	4,702,838	30.86%
Ashish Dhawan	**1,075,115**	**7.06%**	1,075,115	7.06%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of company, please refer Note 28.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
4	**Reserves and surplus**		
	Capital reserve	**251**	251
	Securities premium reserve	**12,019**	12,019
	General reserve	**1,413**	1,413
	Surplus / (deficit) in the statement of profit and loss		
	Balance as per last financial statements	**(3,186)**	(3,729)
	Profit / (loss) for the period	**(174)**	543
	Transfer from Accumulated Depreciation*	**(395)**	-
	Net deficit in the statement of profit and loss	**(3,755)**	(3,186)
	Total reserves and surplus	**9,928**	10,497
	*The Company has adopted useful lives for all the tangible fixed assets as indicated in schedule II of the Companies Act, 2013. Based on the transitional provisions given in note 7 (b) of schedule II, an amount of Rs. 395 has been adjusted to the balance carried forward (defecit) in the statement of Profit & Loss.		
5	**Long-term borrowings**		
	Finance lease obligation (Secured)*	**59**	88
	Total long-term borrowings	**59**	88
	*Finance lease obligations are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an avarage interest rate of 10% p.a. with repayment term of 5 years		
6	**Long-term Provisions**		
	Provision for employee benefits		
	Provision for gratuity (Note 27)	**51**	43
	Total long-term provisions	**51**	43
7.	**Short-term borrowings**		
	Bank overdraft (secured)	**85**	-
	Total short-term borrowings	**85**	-
	The Company has an overdraft facility with a bank, which is secured against book debts of the Company. The overdraft is repayable on demand and carries interest @ 13.70 % p.a.		

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
8	**Other current liabilities**		
	Trade payables (Refer Note 37)	**498**	708
	Other liabilities		
	Current maturities of long-term borrowings (Includes current maturity of finance lease obligation)*	**35**	33
	Others		
	- Withholding and other tax payables	**104**	71
	- Other non trade payables	**176**	164
		315	268
	Total other current liabilities	**813**	976
	*Finance lease obligations are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an average interest rate of 10% p.a. with repayment term of 5 years		
9	**Short-term provisions**		
	Provision for employee benefits		
	Provision for employee bonus	**14**	27
	Provision for gratuity [Note 27]	**182**	155
	Provision for leave benefits	**70**	73
	Total short-term provisions	**266**	255

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

10 Fixed assets

Particulars	Tangible assets							Intangible assets		
	Plant and machinery			Furniture and fixtures	Leasehold improvements	Vehicles #	Total	Goodwill	Computer software*	Total
	Computers and servers	Call centre equipment	Office equipment							
Cost as at April 1, 2013	1,600	3,259	624	541	1,202	211	7,437	254	1,780	2,034
Additions	**2**	**10**	**3**	**-**	**-**	**51**	**66**	**-**	**245**	**245**
Disposals	(41)	(253)	(8)	(44)	-	(42)	(388)	-	(92)	(92)
At March 31, 2014	**1,561**	**3,016**	**619**	**497**	**1,202**	**220**	**7,115**	**254**	**1,933**	**2,187**
Additions	26	10	24	2	29	7	98	-	142	142
Disposals	(148)	(42)	(12)	(7)	(288)	(19)	(516)	-	-	-
At March 31, 2015	**1,439**	**2,984**	**631**	**492**	**943**	**208**	**6,697**	**254**	**2,075**	**2,329**
Accumulated Depreciation \ Amortization as at April 1, 2013	**1,217**	**2,690**	**213**	**309**	**1,185**	**34**	**5,648**	**234**	**1,296**	**1,530**
Charge for the period	**122**	**189**	**40**	**32**	**8**	**21**	**412**	**20**	**316**	**336**
Disposals	**(39)**	**(253)**	**(8)**	**(44)**	**-**	**(16)**	**(360)**	**-**	**(31)**	**(31)**
At March 31, 2014	**1,300**	**2,626**	**245**	**297**	**1,193**	**39**	**5,700**	**254**	**1,581**	**1,835**
Charge for the period	**57**	**132**	**111**	**74**	**8**	**29**	**411**	**-**	**256**	**256**
Transfer to General Reserve**	**114**	**105**	**155**	**19**	**-**	**2**	**395**	**-**	**-**	**-**
Disposals	**(103)**	**(81)**	**(8)**	**(7)**	**(287)**	**(12)**	**(498)**	**-**	**-**	**-**
At March 31, 2015	**1,368**	**2,782**	**503**	**383**	**914**	**58**	**6,008**	**254**	**1,837**	**2,091**
Net Block										
At March 31, 2014	**261**	**390**	**374**	**200**	**9**	**181**	**1,415**	**-**	**352**	**352**
At March 31, 2015	**71**	**202**	**128**	**109**	**29**	**150**	**689**	**-**	**238**	**238**

Vehicles includes vehicles taken on finance lease: Gross block Rs. 178 (March 31, 2014: Rs.177); Depreciation charge for the year Rs. 23 (March 31, 2014: Rs.15) ; Accumulated depreciation Rs. 45 (March 31, 2014: Rs. 24) ; Net book value Rs. 133 (March 31, 2014: Rs.153).

* Includes loss on impairment of assets amounting to Rs. 61 representing net book value of such assets as at March 31, 2014

** The Company has adopted useful life for all the tangible fixed assets as indicated in Schedule II of the Companies Act, 2013. Based on the transitional provision given in Note 7(b) of Schedule II, an amount of Rs. 395 has been adjusted to the balance carried forward (deficit) in the statement of profit and loss.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
11	**Non-current investments**		
	Trade investments (valued at cost unless stated otherwise)		
	Investment in subsidiaries - unquoted equity instruments		
	Allsectech Inc, USA		
	- Common stock hundred (March 31, 2014 - hundred), fully paid up (Refer note 26)	**1,214**	1,214
	Allsectech Manila Inc., Philippines	**1,020**	1,020
	- 8.13 (March 31, 2014 - 8.13) Equity shares of Php 100 each fully paid up (Refer Note 26)		
	Retreat Capital Management Inc.	**1,307**	1,307
	- Common stock thousand one hundred and sixty (March 31, 2014 - thousand one hundred and sixty), fully paid up		
	Centigral Inc	**-**	35
	- Common stock - Nil (March 31, 2014 - Six hundred and forty), fully paid up		
	Less: Provision for dimunition, other than temporary in value of investments (Refer Note 25)	**-**	(35)
	Investment in subsidiaries - unquoted preference instruments		
	Allsectech Manila Inc., Philippines (Refer Note 26)	**1,566**	1,566
	Total Investments	**5,107**	5,107
	Aggregate amount of unquoted investments	**5,107**	5,142
	Aggregate provision for diminution on value of investments	**-**	35
12	**Long-term loans and advances (Unsecured, considered good unless stated otherwise)**		
	Security deposits	**473**	451
	Loan and advances to related parties [Refer Note 31]	**957**	239
	Less: Provision for doubtful advances	**-**	(239)
	Other loans and advances		
	- Advance income-tax (net of provision for taxation)	**1,599**	1,739
	- Prepaid expenses	**5**	14
	Total long-term loans and advances	**3,034**	2,204
	Long-term Loans and advances from related parties include:		
	Allsectech Inc.	**957**	-
	Loan to Allsectech Inc. carries interest at the rate of Government bond yield which is 7.9% p.a.		

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
13	**Other assets (Unsecured, considered good unless stated otherwise)**		
	Other non-current assets		
	Non-current bank balances (also Refer Note 16)*	**285**	71
	Others		
	Interest accrued on fixed deposits	**3**	-
	Total Other non-current assets	**288**	71
	Margin Money deposit given as security:		
	*Margin money deposits with a carrying amount of Rs. 509 (March 31, 2014 : Rs. 483) are subject to first charge to secure the Companies letter of credit and guarantee.		
14	**Current investments**		
	Current investments (valued at lower of cost and fair value, unless stated otherwise)		
	Unquoted mutual funds	**175**	1,072
	Total current investments	**175**	1,072
	Aggregate amount of unquoted investments (Net assets value)	**187**	1102

Details of current investments

Current investments in mutual funds at the year end comprise:

Name of Mutual fund	March 31, 2015 No of units (in lakhs)	Amount
Birla Sun Life Floating Rate Fund Short Term Plan - Growth - Regular Plan	0.40	75
HDFC FMP 531D December 2013 (1) Series 29 - Regular - Growth	10.00	100
Total		**175**

Name of Mutual fund	March 31, 2014 No of units (in lakhs)	Amount
Reliance Short Term Fund-Growth Plan Growth Option	**4.63**	100
ICICI Prudential Short Term - Regular Plan - Growth	**2.03**	50
HDFC Short Term Plan - Growth	**2.16**	51
Birla Sun Life Dynamic Bond Fund - Retail - Growth - Regular Plan	**2.43**	50
HSBC Floating Rate Fund - Long Term Plan - Growth	**2.67**	52
Sundaram Money Fund Regular Growth	**3.95**	105
HDFC FMP 531D December 2013 (1) Series 29 - Regular - Growth	**10.00**	100
Baroda Pioneer Liquid Fund Plan A - Growth	**0.11**	161
Religare Invesco Ultra Short Term Fund - Growth	**0.10**	176
DWS Money Plus Fund - Institutional Plan - Growth	**5.69**	75
IDFC Money Manager Fund-Treasury Plan-Growth	**3.75**	75
Principal Cash Management Fund-Regular Plan Dividend Daily -Reinvestment	**0.08**	77
Total		**1,072**

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
15	**Current trade receivable (unsecured)**		
	Outstanding for a period exceeding six months from the date they are due for payment		
	- Considered good	**623**	354
	- Considered doubtful	**35**	-
	Less: Provision for doubtful receivables	**(35)**	-
		623	354
	Other receivables, considered good	**1,700**	1,990
	Total Current trade receivable	**2,323**	2,344
	Current trade receivable from related parties include:		
	Dues from Allsectech Inc, USA	**251**	191
	Dues from Retreat Capital Management Inc.,	**452**	349

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
16	**Cash and bank balances**		
	Current		
	Cash and cash equivalents		
	Balances with banks:		
	- On current accounts*	**143**	189
	Cash on hand	**2**	1
		145	190
	Other bank balances		
	- Margin money deposit @	**224**	412
		369	602
	Non-current		
	Other bank balances		
	- Deposits with original maturity for more than 12 months	**285**	71
	Amount disclosed under non-current assets (refer note 13)	**(285)**	(71)
	Total cash and bank balances	**369**	602

@Margin money deposits given as security:

Margin money deposits with a carrying amount of Rs. 509, (March 31, 2014: Rs 483) are subject to first charge to secure the Company's letter of credit and guarantee.

*Includes restricted cash balance amounting to Rs. Nil, (March 31, 2014 Rs. 55 lakhs)

17	**Short-term loans and advances (Unsecured, considered good unless stated otherwise)**		
	Security deposits	**-**	1
	Advances recoverable in cash or kind	**26**	42
	Other loans and advances		
	Prepaid expenses	**80**	95
	Balances with statutory / government authorities	**25**	21
	Total short-term loans and advances	**131**	159
	Short-term Loans and advances include recoverable from Directors (Refer Note 33)	**-**	36
	Short-term Loans and advances include recoverable from Subsidiary Allsectech Manila Inc., (Refer Note 31)	**2**	-

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
18	**Other Current Assets (Unsecured, considered good unless stated otherwise)**		
	Interest accrued on fixed deposits	**25**	23
	Interest accrued on inter company loans	**36**	-
	Unbilled revenues	**311**	32
	Total Other current assets	**372**	55
19	**Other income**		
	Dividend income on current investments	**-**	1
	Profit on sale of current investments	**77**	77
	Exchange differences (net)	**76**	150
	Liabilities no longer required written back	**45**	9
	Miscellaneous income	**38**	-
		236	237
20	**Employee benefit expense**		
	Salaries, wages and bonus	**5,139**	4,879
	Contribution to provident and other fund	**417**	315
	Gratuity expense (Refer Note 27)	**104**	27
	Staff welfare expenses	**423**	448
	Recruitment and training	**73**	135
		6,156	5,804

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
21	**Other expenses**		
	Electricity	**480**	474
	Rent and amenities	**883**	790
	Rates and taxes	**15**	25
	Insurance	**20**	21
	Repairs and maintenance		
	Plant and machinery	**351**	443
	Others	**322**	284
	Selling commission	**128**	240
	Other selling expenses	**14**	16
	Travelling and conveyance	**199**	179
	Communication costs	**20**	19
	Legal and professional fees#	**253**	225
	Write off of investments and loans to subsidiary	**274**	-
	Provision for loans to subsidiary and provision for dimunition, other than temporary in value of investments	**(274)**	275
	Provision for doubtful debts	**36**	-
	Impairment loss / loss on fixed assets written off	**12**	76
	Miscellaneous expenses	**132**	93
		2,865	3,160
	# Payment to auditor (Included under legal and professional fees)		
	As auditor:		
	Audit fee	**26**	22
	Other services (certification fees)	**3**	2
		29	24
22	**Finance costs**		
	Interest on secured borrowings	**11**	13
	Interest others	**5**	24
	Bank charges	**40**	40
		56	77
23	**Interest income**		
	On Bank deposits	**44**	39
	On Others	**63**	-
		107	39

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

24. The Company has not recognised deferred tax assets arising primarily on account of carried forward tax losses and unabsorbed depreciation, as subsequent realization of such amounts is not virtually certain.

25. The Company had acquired 80% of the paid up share capital of Centigral Inc., USA, engaged in the business of providing management consultancy services in health care and business analytics, on September 2012 for a consideration of Rs. 35. Further the Company had also provided operational support to the subsidiary till March 31, 2014 by advancing loans amounting to Rs. 239 for working capital purposes. Considering the accumulation of losses, the management has recorded provision for diminution other than temporary in the value of investment in and advances due from the subsidiary as on March 31, 2014 in the financial statements.

Due to lack of business opportunities and clear visibility of future business, the Board of Directors of the Company vide Board Meeting dated August 14, 2014 had decided to dissolve the subsidiary. The subsidiary had filed the required documents with the relevant authorities during December 2014. Accordingly, during the current year, the Company has written off the investments made in the subsidiary of Rs. 35, and advances due from the subsidiary of Rs. 239, which were already provided for during the year ended March 31, 2014.

26. Diminution in the value of investments and other receivables from subsidiaries

The Company has investments in and loans to subsidiaries, Allsectech Inc U.S.A., and Allsectech Manila Inc., Philippines, aggregating to Rs. 4,757, which are considered long-term in nature and receivable balance (net) of Rs. 267 as at March 31, 2015. Till March 2014, those subsidiaries carried accumulated losses of the value of Rs. 3,134. Management has undertaken significant steps in the current year, to revamp the operations of its overseas subsidiaries to improve their profitability, including entering into new service contracts with customers, rationalization of headcount, and arrangements to sub-lease excess capacities. Based on business plans, contracts on hand and their assessment of the revenue potential from new contracts and the other restructuring activities described above, the management is confident that the subsidiaries will become and continue to remain profitable, and thereby recoup all past losses over the medium term. Accordingly, no adjustments have been made to the carrying value of long-term investments, for any diminution other than temporary in their carrying values.

27. Gratuity benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rupees one million. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarizes the components of net benefit / expense recognised in the statement of profit and loss account and the funded status and amounts recognised in the balance sheet for gratuity:

Statement of Profit and Loss account

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	**22**	26
Interest cost on benefit obligation	**18**	16
Expected return on plan assets	**-**	-
Net actuarial (gain) / loss recognized in the year	**64**	(15)
Net employee benefit expense	**104**	27

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Balance sheet

Details of provision for gratuity

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Defined benefit obligation	**(250)**	(198)	(207)	(192)	(208)
Fair value of plan assets	**17**	-	9	2	11
Plan asset / (liability)	**(233)**	(198)	(198)	(190)	(197)
Experience adjustment on plan asset	**-**	-	-	(1)	3

Experience adjustment on plan liabilities was loss of Rs. 44 (March 31, 2014: loss of Rs. 13; March 31, 2013 gain of Rs. 6; March 31, 2012: gain of Rs. 5, March 31, 2011: loss of Rs. 52).

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Opening defined benefit obligation	**198**	207
Interest cost	**18**	16
Current service cost	**22**	26
Benefits paid	**(52)**	(36)
Actuarial (gains) / losses on obligation	**64**	(15)
Closing defined benefit obligation	**250**	198

Changes in the fair value of plan assets are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Opening fair value of plan assets	**-**	9
Expected return	**-**	-
Contributions by employer	**69**	27
Benefits paid	**(52)**	(36)
Actuarial gains / (losses)	**-**	-
Closing fair value of plan assets	**17**	-
Actual return on plan assets	**-**	-

The major categories of plan asset as a percentage of the fair value of total plan asset are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Investments with insurer	**100%**	100%

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Assumptions

Particulars	As at March 31, 2015	As at March 31, 2014
Discount rate	**7.90%**	9.29%
Expected return on plan assets	**7.90%**	8.70%

The fund is administered by Life Insurance Corporation of India. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company does not currently have any estimates of the contribution to be paid to the plan during the next year. Accordingly, the same has not been disclosed.

28. Employee stock option plans

The Company has one stock option plans that provide for the granting of stock options to employees including Directors of the Company (not being promoter Directors and Executive Directors, holding more than 10% of the equity shares of the Company). The option plans are summarized below:

Employee Stock Option Scheme (ESOS), 2010

The shareholders at the Annual General Meeting held on August 04, 2010 approved an Employee Stock Option Scheme 2010 (ESOS 2010) which provides for an issue of 600,000 options (each option convertible into 1 share) to the employees. Consequently, the compensation committee had granted the 390,000 options on August 4, 2010 and 100,000 options on August 2, 2012 at an exercise price of Rs. 45.05/- per share and Rs. 41.25/- per share respectively.

The Company has adopted the (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India, and has recorded a compensation expense using the intrinsic value method as set out in those guidelines. The summary of the movements in options are given below:

Particulars	As at March 31, 2015	As at March 31, 2014
Options outstanding, beginning of year	**391,000**	431,000
Options granted during the year	**-**	-
Options exercised during the year	**-**	-
Options lapsed during the year	**123,000**	40,000
Options outstanding, end of year	**268,000**	391,000
Options outstanding at the year end comprise :		
- Options eligible for exercise at year end	**268,000**	391,000
- Options not eligible for exercise at year end	**-**	-
Weighted average remaining contract life of options (granted in August 04, 2010)	**0 year 4 months**	1 years 4 months
Weighted average remaining contract life of options (for 100,000 options granted on August 02, 2012)	**-**	3 years and 4 months
Vesting period of options		
- 50% of the options – one year from the date of grant		
- 50% of the options – two years from the date of grant		

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The summary of the movements in options is as follows:

Particulars	No of options (2014-2015)	Weighted average exercise price	No of options (2013-2014)	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	**391,000**	45.05	431,000	45.05
Granted during the year	**-**	45.05	-	45.05
Lapsed during the year	**23,000**	45.05	40,000	45.05
Lapsed during the year	**1,00,000**	41.25	-	-
Outstanding at the end of the year				
Granted in August 2010	**268,000**	45.05	291,000	45.05
Granted on August 2012	**-**	41.25	100,000	41.25

Particulars	As at March 31, 2015	As at March 31, 2014
Weighted average share price at the date of exercise (Rs.)	**NA**	NA
Range of share price of options outstanding at the year end (Rs.)		
Granted in August 2010	**45.05**	45.05

Pro-forma Disclosures for ESOS 2010

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, had the compensation cost for ESOS 2010 been recognized based on the fair value at the date of grant in accordance with binomial method, the amounts of the Company's net profit / loss and earnings per share would have been as follows:

Particulars	Profit / (Loss) after tax	Basic EPS (Rs.)	Diluted EPS (Rs.)
Year ended March 31, 2015			
- Amounts as reported	**(174)**	**(1.14)**	**(1.14)**
- Amounts as per pro-forma	**(174)**	**(1.14)**	**(1.14)**
Year ended March 31, 2014			
- Amounts as reported	543	3.57	3.47
- Amounts as per pro-forma	543	3.57	3.47

The fair value of options was estimated at the date of grant using the binomial method with the following assumptions:

Particulars	ESOS 2010
Risk-free interest rate	7.25%
Expected life	5 years
Expected volatility	56%
Expected dividend yield	-
Share price on the date of grant (04.08.2010)	Rs. 45.05/-
Share price on the date of grant (02.08.2012)	Rs. 41.25/-
Expected forfeiture	30%

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

29. Leases

Finance leases

Vehicles include cars obtained on finance lease. The lease terms range between 3 and 5 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

Particulars	March 31, 2015	March 31, 2014
Total as at year end		
Minimum lease payments	**109**	145
Less: finance charges	**15**	24
Present value	**94**	121
Not later than one year		
Minimum lease payments	**42**	44
Less: finance charges	**8**	11
Present value	**34**	33
Later than one year but not later than five years		
Minimum lease payments	**66**	100
Less: finance charges	**6**	13
Present value	**60**	87
Later than five years		
Minimum lease payments	**Nil**	Nil
Less: finance charges	**Nil**	Nil
Present value	**Nil**	Nil

Operating leases

Office premises in India are obtained under operating lease. Lease rentals incurred during the year of Rs. 883 (previous year Rs. 790) have been charged as an expense in the statement of profit and loss account. The lease terms vary between 3 and 9 years. There are no restrictions imposed by lease arrangements. There are no subleases. The future lease rentals payable are as follows:

Particulars	March 31, 2015	March 31, 2014
Up to 1 year	**777**	491
1 to 5 years	**2,631**	918
Beyond 5 years	**45**	-
Total	**3,453**	1,409

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

30. Segment information

The Company's operations predominantly relate to IT enabled services and accordingly this is the only primary reportable segment. The Company has considered geographical segment as the secondary segment, based on the location of the customers invoiced.

Information about secondery segments	March 31, 2015	March 31, 2014
Revenue from services		
United States of America	**2,119**	2,758
United Kingdom	**875**	2,541
India	**6,477**	5,306
Others	**276**	69
Total	**9,747**	10,674

Fixed assets used in the Company's business have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. The Company believes that it is currently not practicable to provide segment disclosures relating to assets, liabilities and capital expenditure since a meaningful segregation of the available data is onerous.

31. Related party disclosures

1. Names of related parties and related party relationships

Relationship	Name of the party
Related parties where controls exist	
Subsidiaries	Allsectech Inc., USA Allsectech Manila Inc., Philippines Retreat Capital Management Inc., USA Centrigal Inc., USA till December 2014 (Refer Note 25)
Related parties under AS 18 with whom transactions have taken place during the year	
Key management personnel	Whole time Director: A. Saravanan R. Jagadish
Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year	
Other Key Management Personnel	K. Narasimhan, Chief Financial Officer A. Mohan Kumar, Company Secretary

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

2. Transactions with related parties:

Particulars	Subsidiaries		Key Management	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Selling commission – expenses				
-- Allsectech Inc.	**128**	240	**-**	-
Service income -billed to				
--Allsectech Inc.	**51**	-	**-**	-
-- Retreat Capital Management Inc	**84**	238	**-**	-
Interest income on loan to Allsectech Inc	**36**	-	**-**	-
Reimbursement of expenses incurred by WOS on behalf of Parent Company				
-- Allsectech Inc.	**66**	-	**-**	-
-- Allsectech Manila Inc.	**-**	100	**-**	-
Reimbursement of expenses incurred by Parent company on behalf of WOS				
-- Retreat capital Management Inc	**-**	5	**-**	-
-- Allsectech Inc.	**21**	-	**-**	-
-- Allsectech Manila Inc.	**2**	-		
Advances made				
-- Allsectech Inc.	**936**	-	**-**	-
-- Centigral Inc.	**-**	130	**-**	-
Investment in subsidiary				
-- Allsectech Inc.	**-**	619	**-**	-
-- Retreat Capital Management Group	**-**	313	**-**	-
-- Allsectech Manila Inc.*	**-**	1,566	**-**	-
Remuneration - Wholetime Directors (Also refer Note 33)	**--**	--	**84**	168
Remuneration – Other Key Managerial Personnel	**-**	-	**68**	64

The Company has extended guarantees aggregating to Rs. 552 (USD 8.85) (previous year - Rs. 533 (USD 8.85)) on behalf of its subsidiary Allsectech Inc., USA.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

3. Balances with related parties:

Particulars	Subsidiaries		Key Management Personnel	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Trade Receivable				
-- Allsectech Inc.	**251**	191	**-**	-
-- Retreat Capital Management Inc	**452**	349	**-**	-
Payables				
-- Allsectech Inc.	**43**	107	**-**	-
Loans and Advances				
-- Centigral Inc**	**-**	239	**-**	-
-- Allsectech Inc	**975**	-	**-**	-
--Allsectech Manila Inc.	**2**	-	**-**	-
Interest Accrued on loan to Allsectech Inc	**36**	-	**-**	-
Investment in subsidiary				
-- Allsectech Inc.	**1,214**	1,214	**-**	-
-- Allsectech Manila Inc.	**1,020**	1,020	**-**	-
-- Allsectech Manila Inc (Preference shares capital)	**1,566**	1,566	**-**	-
-- Retreat Capital Management Inc., USA	**1,307**	1,307	**-**	-
-- Centigral Inc**	**-**	35	**-**	-
Advance recoverable from Directors	**-**	-	**-**	36
Maximum amounts outstanding during the year				
Loans and Advances				
--Allsectech Manila Inc.	**2**	-	**-**	-
-- Allsectech Inc.	**993**	-	**-**	-
-- Centigral Inc	**-**	239	**-**	-

*Represents conversion of loan given to Allsectech Manila Inc. amounting to Rs. 1,443 (USD 26.57) into preference share capital.

**The Company has provided for impairment in the value of investments in and advances due from the subsidiary as on March 31, 2014 and the same has been written off during the current year. Refer Note 25 above for further details.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

32. Disclosures required under Section 186(4) of the Companies Act, 2013

For details of loans, advances and guarantees given and securities provided to related parties, refer note 31.

33. Compliance with Section 269 of the Companies Act, 1956:

The Company had made an application to the Ministry of Corporate Affairs (MCA) in January 2014 seeking approval for the re-appointment of the whole time directors under the section 269 of the Companies Act 1956 and also for the remuneration to be paid to them for the period from April 1, 2013 to March 31, 2016. The application for reappointment was accepted by MCA vide communication dated January 10, 2014, restricting the remuneration to directors to Rs.84 per annum per director. As the Company has paid an amount of Rs. 36 in excess of the remuneration approved by MCA, the management had filed an application for condonation with the Ministry of Corporate Affairs in February 2014 seeking waiver of excess remuneration paid during the period April – December 2013. Pending receipt of such waiver, the excess remuneration paid, amounting to Rs 36 has been disclosed was ‘Advances recoverable from directors’ during the previous year. However, during the current year, MCA had rejected the application made by the Company to waive the excess remuneration paid to the directors and accordingly, the same was recovered from them during the current year.

34. Contingencies and commitments

Particulars	March 31, 2015	March 31, 2014
Commitments		
Capital contracts yet to be executed	**19**	4
Contingent liabilities		
Claims against the Company not acknowledged as debts *	**109**	109

* Represents demand received from the Tamil Nadu Electricity Board in January 2008 relating to reclassification disputes on the tariff category applicable to the Company in two of its delivery centers with retrospective effect from 2005. The Company has obtained an interim stay order from the Hon’ble High Court of Madras against this claim. The Company considers the claim to be erroneous and as not payable under the specified tariff category applicable to ITES units.

The company has pending assessments with local tax authorities for FY 2004-FY 2007. However as these assessments are expected to have an impact only on the carried forward losses and unabsorbed depreciation that can be carried forward by the company and not give rise to a cash outflow, no amounts have been disclosed as contingent liability.

35. Earnings per share (EPS)

The following reflects the profit and share data used in basic and diluted EPS computation:

Particulars	March 31, 2015	March 31, 2014
Net profit / (loss) for calculation of basic and diluted EPS	**(174)**	543
Weighted average number of equity shares in calculating basic EPS (in lakhs)	**152**	152
Effect of dilutive equity shares on account of:		
- Employee stock option (in lakhs)	**-**	4
Weighted average number of equity shares in calculating diluted EPS (in lakhs)	**152**	156
Par value per share (Rs.)	**10**	10

36. Derivative instruments and unhedged foreign currency exposure

The Company had used derivative financial instruments in the form of forward exchange contracts to hedge its risks associated with foreign currency fluctuations during the year. Accounting policy for forward exchange contracts is given in Note 2.1 (r) above.

The details of foreign currency balances which are not hedged as at the balance sheet date are as below:

Particulars	Foreign Currency	March 31, 2015		March 31, 2014	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Receivables	USD	19.91	1,240	19.98	1,192
	GBP	0.04	4	0.14	14
	EUR	0.01	0.37	0.35	29
Payables	USD	0.69	43	1.88	113
Bank balances	USD	0.56	35	0.53	31
	GBP	0.08	7	-	-
Investments	USD	100.30	5,107	100.94	5,142
Loan to subsidiary	USD	15.34	957	4.00	239

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

37. Details of dues to micro and small enterprises as defined under MSMED Act, 2006

There is no overdue amount payable to Micro, Small and Medium Enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the current and previous year.

38. Value of imports calculated on CIF basis

Particulars	March 31, 2015	March 31, 2014
Capital goods	**12**	7

39. Expenditure in foreign currency (accrual basis)

Particulars	March 31, 2015	March 31, 2014
Connectivity cost	**219**	276
Selling commission	**128**	240
Foreign travel	**41**	34
Maintenance charges	**4**	82
Legal and professional charges	**63**	34
Staff Cost	**31**	-
Miscellaneous Expenses	**28**	-
Others	**13**	9
Total	**527**	675

40. Earnings in foreign currency (accrual basis)

Particulars	March 31, 2015	March 31, 2014
Service income	**3,270**	5,368
Interest on loan to related party	**36**	-

41. Previous year comparatives

Previous year figures have been regrouped / reclassified, wherever necessary, to conform to current year's classification.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

per Aniruddh Sankaran
Partner
Membership No: 211107

Place : Chennai
Date : May 20, 2015

For and on behalf of the Board of Directors

A. Saravanan
Director

R. Jagadish
Director

K. Narasimhan
Chief Financial Officer

A. Mohan Kumar
Company Secretary

ALLSEC TECHNOLOGIES LIMITED

Consolidated Financial Statements for the year ended March 31, 2015

To

The Members of Allsec Technologies Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Allsec Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the consolidated Balance Sheet as at March 31, 2015, 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 preparation of these consolidated financial statements in terms with the 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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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, issued by the Institute of Chartered Accountants of India, as 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2015, their consolidated loss, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable (Other than Holding Company, none of its subsidiaries entities are incorporated in India).

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

(a) We / the other auditors whose reports we have relied upon 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the boks of account maintained for the purpose of preparation of the consolidated financial statements;

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company, none of the directors of the holding Company are disqualified as on "March 31, 2015" from being appointed as a director in terms of Section 164 (2) of the Act.

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

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 29 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts.

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

Other Matter

The accompanying consolidated financial statements include total assets of Rs 1,743 lakhs as at March 31, 2015, and total revenues and net cash outflows of Rs 3,101 lakhs and Rs 114 lakhs for the year ended on that date, in respect of three subsidiaries, which have been audited by other auditors, in accordance with generally accepted auditing standards of their respective countries, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The Holding Company's management has converted these audited financial statements of Holding Company's subsidiaries to accounting principles generally accepted in India, for the purpose of preparation of the Holding Company's consolidated financial statements in accordance with accounting principles generally accepted in India. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based on the report(s) of such other auditors under the GAAPs/ GAASs in their respective countries and the aforesaid conversion undertaken by the management; and our audit of the conversion process followed by the management.

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

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm's Registration Number: 101049W

per Aniruddh Sankaran
Partner

Membership Number: 211107

Place : Chennai

Date : 20th May, 2015.

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Allsec Technologies Limited to whom the provisions of the Order apply (hereinafter referred to as "the Holding Company")

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Holding Company and the nature of its assets. No material discrepancies were noticed on such verification.

(ii) The Holding Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Holding Company.

(iii) (a) The Holding Company has granted loans to subsidiary which is covered in the register maintained under section 189 of the Companies Act, 2013. The loans granted are re-payable on demand. We are informed that the Holding Company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent.

(b) There is no overdue amount of loan granted to the party listed 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 an adequate internal control system commensurate with the size of the Holding Company and the nature of its business, for the purchase of fixed assets and for the rendering of services. The activities of the Holding Company do not involve any purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Holding Company in respect of these areas.

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

(vi) To the best of our knowledge and as explained, owing to the nature of business in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Holding Company.

(vii) (a) The Holding Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Holding Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues were outstanding, at the year end, 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, wealth-tax, service tax, customs duty, value added tax and cess which have not been deposited on account of any dispute, other than the following

Nature of statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	*	2004 to 2009	Commissioner of Income Tax (Appeals)

*The order passed by the assessing officer has impact on the unabsorbed losses and unabsorbed depreciation that can be carried forward. Hence, the amount of demand has not been disclosed.

(d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

(viii) The Holding Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and the Holding Company has not incurred any cash losses in the current financial year and also in the previous financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Holding Company has not defaulted in repayment of dues to banks and financial institutions. The Holding Company has no dues to debenture holders.

(x) According to the information and explanations given to us, the Holding Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Holding Company has been noticed or reported during the year.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm's Registration Number: 101049W

per Aniruddh Sankaran
Partner

Membership Number: 211107

Place : Chennai
Date : 20th May, 2015.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	Notes	As at March 31, 2015	As at March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,524	1,524
Reserves and surplus	4	4,621	6,430
		6,145	7,954
Non-current liabilities			
Long-term borrowings	5	82	260
Long-term provisions	6	51	43
		133	303
Current liabilities			
Short-term borrowings	7	1,195	1,192
Trade payables	8	1,043	1,494
Other current liabilities	8	741	671
Short-term provisions	9	359	1,888
		3,338	5,245
Total		9,616	13,502
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	1,148	2,229
Intangible assets	10	1,504	1,677
Capital work-in-progress		31	33
Long-term loans and advances	11	2,160	2,284
Other non-current assets	12	288	71
Defered Tax Asset		161	1,666
		5,292	7,960
Current assets			
Current investments	13	175	1,072
Trade receivables	14	2,946	3,266
Cash and bank balances	15	669	890
Short-term loans and advances	16	197	258
Other current assets	17	337	56
		4,324	5,542
Total		9,616	13,502

Summary of significant Accounting policies - Refer Note 2.1 to the financial statements.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

per Aniruddh Sankaran
Partner
Membership No: 211107

Place : Chennai
Date : May 20, 2015

For and on behalf of the Board of Directors

A. Saravanan
Director

R. Jagadish
Director

K. Narasimhan
Chief Financial Officer

A. Mohan Kumar
Company Secretary

Consolidated Profit and Loss Account

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	Notes	Year ended March 31, 2015	Year ended March 31, 2014
Income			
Revenue from operations	18	15,086	19,962
Other income	19	873	232
Total revenue (I)		15,959	20,194
Expenses			
Connectivity costs		499	664
Employee benefits expense	20	10,810	16,339
Other expenses	21	4,691	6,682
Total (II)		16,000	23,685
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		(41)	(3,491)
Depreciation and amortization expense	10	1,101	1,242
Finance costs	22	163	669
Interest Income	23	(72)	(39)
Profit / (Loss) before tax		(1,233)	(5,363)
Tax expenses			
Current tax		129	(1,652)
MAT Credit entitlement written off		44	-
Total tax expense		173	(1,652)
Profit/(loss) after tax and before minority interest		(1,406)	(3,711)
Minority interest		-	(1,211)
Profit/(loss) after tax and minority interest		(1,406)	(2,499)
Earnings per equity share	30		
Net Profit/(loss) available to equity shareholders		(1,406)	(2,499)
Basic earnings per share		(9.23)	(16.40)
Diluted earnings per share		(9.23)	(16.40)

Summary of significant Accounting policies - Refer Note 2.1 to the financial statements.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

per Aniruddh Sankaran
Partner
Membership No: 211107

Place : Chennai
Date : May 20, 2015

For and on behalf of the Board of Directors

A. Saravanan
Director

R. Jagadish
Director

K. Narasimhan
Chief Financial Officer

A. Mohan Kumar
Company Secretary

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
A. Cash flow from operating activities		
Loss before tax from continuing operations	**(1,233)**	(5,363)
Non cash adjustment to reconcile Loss before tax to net cash flows		
Depreciation / amortization on continuing operation	**1,101**	1,242
Impairment loss / Loss on fixed assets written off	**12**	1,032
Unrealized foreign exchange gain	**(84)**	448
Provision for bad & doubtful debts Advances	**74**	223
Interest expense	**103**	185
Net gain on sale of current investments	**(77)**	(77)
Liabilities No Longer Required	**(177)**	(9)
Interest income	**(72)**	(39)
Dividend income	**0**	(1)
Operating profit before working capital changes	**(353)**	(2,359)
Movements in working capital :		
Increase / (decrease) in trade payables and provisions	**(380)**	(932)
Decrease / (increase) in trade receivables	**305**	2,241
Decrease / (increase) in loans and advances	**44**	383
Decrease/(increase) in other assets	**(279)**	(10)
Cash generated from / (used in) operations	**(663)**	(677)
Direct taxes paid (net of refunds)	**65**	75
Net cash flow from / (used in) operating activities (A)	**(598)**	(602)
B. Cash flows from investing activities		
Purchase of fixed assets, including intangible assets	**(280)**	(1,179)
Proceeds from sale of fixed assets	**49**	85
(Investments in) / withdrawal from term deposits	**(26)**	(31)
Proceeds of current investments	**2,478**	6,779
Purchase of current investments	**(1,504)**	(6,885)
Interest received	**67**	44
Dividend received	**-**	1
Net cash flow from/(used in) investing activities (B)	**784**	1,186

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
C Cash flows from financing activities		
Proceeds from long-term borrowings	**8**	38
Repayment of long-term borrowings	**(128)**	(25)
Proceeds from short-term borrowings	**84**	1191
Repayment of short-term borrowings	**(81)**	-
Interest paid	**(103)**	(185)
Net cash flow from/(used in) in financing activities (C)	**(220)**	1019
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(34)**	(769)
Effect of exchange differences on cash & cash equivalents held in foreign currency	**1**	(3)
Cash and cash equivalents at the beginning of the year	**478**	1250
Cash and cash equivalents at the end of the year	**445**	478
D Components of cash and cash equivalents		
Cash on hand	**2**	1
Cheques / Drafts on hand		
With banks - on current account*	**443**	477
Total cash and cash equivalents (note 15)	**445**	478

Summary of significant Accounting policies - Refer Note 2.1 to the financial statements.

*The Company can utilize thees balances only towards settlement of the respective unpaid dividend, unpaid matured deposits and unpaid matured debenture liabilites

*Restricted cash balance of Allsectech Inc represents five escrow accounts opened in order to comply with collection licenses requirements from various states amounting to Rs. 4.65 (March 31, 2014: Rs. 64.85). Also includes restricted cash balance amounting to Rs. Nil, (March 31, 2014: Rs. 55) in respect of "Allsec Technologies Ltd."

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

per Aniruddh Sankaran
Partner
Membership No: 211107

Place : Chennai
Date : May 20, 2015

For and on behalf of the Board of Directors

A. Saravanan
Director

R. Jagadish
Director

K. Narasimhan
Chief Financial Officer

A. Mohan Kumar
Company Secretary

1. Corporate information

Allsec Technologies Limited ('Allsec' or the 'Company') was incorporated on August 24, 1998 as a limited company under the Companies Act, 1956 and is listed on the National Stock Exchange of India ('NSE') and Bombay Stock Exchange Limited ('BSE'). The Company is engaged in the business of providing IT enabled services for customers located in India and outside India. The services provided by the Company include data verification, processing of orders received through telephone calls, telemarketing, monitoring quality of calls of other call centers, customer services and HR and payroll processing. The Company has delivery centers at Chennai, Bengaluru, Mumbai, Delhi, and Trichy.

The Company has four subsidiaries as at the year end. They are:

- Allsectech Inc., USA ('Allsectech') - A wholly owned subsidiary of the Company incorporated on September 14, 2000 in the state of Delaware, USA. This subsidiary is engaged primarily in the business of providing marketing support services to the Company.

- Allsectech Manila Inc ('ATM') (formerly Kingdom Builders Inc, Philippines) - A wholly owned subsidiary of the company engaged in the business of IT enabled services including web development, web design, search engine optimization, strategic Teleservices, customer care and quality management. Allsec had acquired controlling interest in ATM on February 14, 2008.

- Retreat Capital Management Inc., USA ('Retreat') - The Company had acquired 66% of the outstanding equity capital of Retreat during 2011. In the previous year, the company had acquired additional equity in Retreat, thereby increasing its holdings to 77% as at March 31, 2014.In the current year, Retreat had cancelled the minority shareholding and thereby Retreat has become a 100% subsidiary in the current year. Retreat is engaged in the business of providing assistance in respect of mortgage processing and bankruptcy to lenders and financial institutions. In the current year, the company has started providing anti-money laundering review services from the month of January.

- Centigral Inc, USA (Centigral) - During the year-2012-13, the Company had entered into a share subscription agreement ('SSA') dated August 23, 2012 with the shareholders of Centigral Inc, USA ('Centigral') and based on such agreement the company has acquired 80% of the paid up capital of Centigral on September 11, 2012 which was incorporated to engage in the business of providing management consultancy services in health care and business analytics. Due to lack of business opportunities, Centigral has filed an application with US Authorities for winding up during the year.

Allsectech, ATM, Retreat and Centigral shall hereinafter, be collectively referred to as "the Subsidiaries". Allsec, along with Subsidiaries, shall hereinafter, be collectively referred to as "the Group".

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statement have been prepared on an accrual basis and under the historical cost convention, except in case of assets for which provision for impairment is made and revaluation is carried out, if applicable.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for those changes as explained below. However, as these financial statements are not statutory financial statements, full compliance with the above Act are not required and so they may not reflect all the disclosure requirements of the Act.

2.1 Summary of significant accounting policies

Change in accounting estimates

Depreciation on fixed assets – Allsec Technologies Limited

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956 prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets.

Useful lives/depreciation rates

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as the minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows Companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets resulting in an adjustment of INR 395 to the opening retained earnings. Had the Company continued to follow the earlier useful life, the depreciation expense for the period would have been lower by INR 120, profit before tax would have been higher by INR 120 and the net book value of fixed assets would have been higher by INR 515 Lakhs.

Depreciation on assets costing less than Rs. 5,000/-

Till year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase. To comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciation of assets costing less than Rs. 5,000/- over their useful life as assessed by the management.

(a) Preparation of consolidation

i. The Consolidated Financial Statements ('CFS') of the Group have been prepared based on a line-by-line consolidation of the balance sheet as at March 31, 2015 and statement of profit and loss and cash flows of the Group for the year ended March 31, 2015.

ii. The financial statements of the Subsidiaries considered for the purpose of consolidation are drawn for the same reporting period as that of the Company i.e. year ended March 31, 2015.

iii. The CFS have been prepared using uniform accounting policies, except as stated otherwise, for similar transactions and are presented to the extent possible, in the same manner as the Company's separate financial statements.

iv. All material inter-company transactions and balances between the entities included in the CFS have been eliminated on consolidation.

v. Any excess / shortage of cost to the Company of its investment in the subsidiaries over its proportionate share in the equity of such subsidiaries as at the date of the investment are recognized as goodwill / capital reserve in the CFS.

vi. Minority interests have been excluded. Minority interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(d) Depreciation on tangible fixed assets

Depreciation on fixed assets of the Company is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management of the Company and is in accordance with the useful lives prescribed in Schedule II of Companies Act, 2013, which are as follows:

Asset Description	Useful Lives (Years)
Plant and machinery	3-10
Furniture and fixtures	10
Office Equipments	5
Vehicles	10

Leasehold improvements are amortized over the estimated useful lives or the remaining primary lease period (3 - 4 years), whichever is less.

The assets of Allsectech aggregating to Rs. 163 (1.31% of the total group assets) are depreciated using straight line method over its estimated useful life of three years for computers and accessories and five years for networking equipments and furniture and fixtures.

The assets of ATM aggregating to Rs. 1,742 (13.99% of the total group assets) are depreciated using the straight line method over its estimated useful life as follows:

Asset Description	Useful life
Computer and accessories	2 – 3 years
Furniture and fixtures	3 – 5 years
Vehicles	3 – 5 years
Leasehold improvements*	6- 7 years

*Leasehold improvements are depreciated over the primary term of the lease.

The assets of Retreat aggregating to Rs. 1,518 (12.19 % of the group assets) are depreciated using the straight line method over its estimated useful life as follows:

Asset Description	Useful life
Computer and accessories	3 years
Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements**	5 years
Office Equipments	5 years

**Leasehold improvements are amortized over the primary term of lease, sixty months expiring in July 2017.

No adjustments have been recognized for the difference arising on account of differing estimates of useful life for similar group of assets in the consolidated entities, since Management believes that such differing estimates are appropriate having regard to the pattern of usage of such assets in each of the entities.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Computer software

Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software 4 years, or over the license period of the software, whichever is shorter.

Goodwill

Goodwill on consolidation and acquisition are amortized using the straight-line method over a period of five years based on management estimates. Goodwill on acquisitions after April 1, 2010 has been tested for impairment and are not amortized.

f) Leases

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term.

The Company has adopted 10 years as the useful life of vehicles taken on finance lease.

g) Impairment of tangible and intangible assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

The carrying amount of goodwill arising on consolidation is reviewed for impairment in accordance with the requirements of Accounting Standard 28 "Impairment of Assets" and impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

h) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before the revenue is recognized.

Income from IT Enabled services

Income from IT enabled services is derived from both time based and unit priced contracts. Revenue is recognized as the related services are performed in accordance with the specific terms of the contract with the customer.

Income from Mortgage and other Services

Retreat's services consist of the business of providing assistance in respect of mortgage processing and bankruptcy to lenders and financial institutions., anti-money laundering review services to a correspondent bank. Revenue is recognised as services are performed in accordance with the specific terms of the contract with the customer.

Unbilled revenue represents accrual of income relating to services provided but not billed as at the year end.

Dividend income

Dividend income is recognised when the right to receive payment is established by the balance sheet date.

Interest

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

j) Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

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

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange difference

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

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of Group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(iv) Forward exchange contracts

In relation to the forward contracts entered into to hedge the foreign currency risk of the underlying monetary assets / liabilities, the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognised in the profit and loss account in the reporting period in which the exchange rates change. The premium or discount on all such contracts arising at the inception of each contract is amortized as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the period.

Translation of integral and non-integral foreign operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Group itself. The resulting difference on account of translations is recorded in the statement of profit and loss.

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

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

k) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for service received before the balance sheet date, then excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or cash refund.

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation. The costs of providing benefits under such plans are determined on the basis of actuarial valuation at each year-end. The actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the Balance Sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

The Group recognizes termination as a liability and an expense when the Group 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 and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the Balance Sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields on government bonds at the Balance sheet date.

l) Income taxes

Tax expense comprises current and deferred income taxes. Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

m) Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

n) Segment reporting

Identification of segments

The Group's operations predominantly relate to IT enabled services to customers in and outside India, mortgage services to customers outside India and accordingly these have been considered as primary reportable segment. The Group has considered geographical segment as the secondary segment, based on the location of the customers.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

o) Earnings per share

The earnings considered in ascertaining the Group's earnings per share comprise the net profit or loss after tax attributable to equity share holders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares, if any, which would have been issued on the conversion of all dilutive potential equity shares.

p) Provisions

A provision is recognized when the Group 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 and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

r) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

s) Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

t) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Group does not include depreciation and amortization expense, finance costs, finance income and tax expense.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
3	**Share capital**		
	Authorized shares		
	20,000,000 (March 31, 2014: 20,000,000) Equity shares of Rs. 10/- each	**2,000**	2,000
	1,350,000 (March 31, 2014: 1,350,000) Convertible Preference Shares of Rs. 100/- each	**1350**	1350
	Issued, subscribed and fully paid-up shares		
	15,238,326 (March 31, 2014: 15,238,326) Equity Shares of Rs. 10/- each fully paid up	**1,524**	1,524
	Total issued, subscribed and fully paid-up share capital	**1,524**	1,524

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	March 31, 2015		March 31, 2014	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	**15,238,326**	**1,524**	15,238,326	1,524
Issued during the period	**-**	**-**	-	-
Outstanding at the end of the period	**15,238,326**	**1,524**	15,238,326	1,524

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company has not declared any dividend during the current year as well as the previous year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts,if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Equity shares of Rs.10/- each fully paid

Name of shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Saravanan A	**2,737,119**	**17.96%**	2,737,119	17.96%
Jagadish R	**2,662,262**	**17.47%**	2,662,262	17.47%
First Carlyle Ventures Mauritius	**4,702,838**	**30.86%**	4,702,838	30.86%
Ashish Dhawan	**1,075,115**	**7.06%**	1,075,115	7.06%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Shares reserved for issue under options

For details of shares reseved for issue under the Employee stock option plan (ESOP) of company, please refer Note 28.

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
4	**Reserves and surplus**		
	Capital reserve	**251**	251
	Securities premium reserve	**12,019**	12,055
	General reserve	**1,413**	1,413
	Surplus / (deficit) in the statement of profit and loss		
	Balance as per last financial statements	**(7,563)**	(5,060)
	Profit / (loss) for the year	**(1,406)**	(2,503)
	Transfer from Accumulated Depreciation*	**(395)**	-
	Net deficit in the statement of profit and loss	**(9,364)**	(7,563)
	Foreign currency translation reserve		
	Balance, beginning of year	**274**	(39)
	Add: Exchange difference during the year on net investment in non-integral operations	**28**	313
		302	274
	Total reserves and surplus	**4,621**	6,430
	*The Company has adopted useful lives for all the tangible fixed assets as indicated in schedule II of the Companies Act 2013. Based on the transitional provisions given in note 7 (b) of schedule II, an amount of Rs. 395 Lakhs has been adjusted to the balance carried forward (deficit) in the statement of Profit & Loss.		
5	**Long-term borrowings**		
	Finance lease obligation (Secured)*	**82**	260
	Total long-term borrowings	**82**	260

*Finance lease obligations in Allsec India are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an average interest rate of "10% p.a." with repayment term of 5 years.

*Finance lease obligations of Retreat are secured by equipments, computer peripheral equipments and vehicles acquired which has an interest rate of "2.9% to 5% p.a." for equipments and vehicle and "16% to 22.85% p.a." in case of computer equipments with repayment term of 5 years.

6	**Long-term Provisions**		
	Provision for employee benefits		
	Provision for gratuity (Note 24)	**51**	43
	Total long term provisions	**51**	43

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
7. Short-term borrowings		
Bank overdraft (secured)*	**85**	1
Line of Credit**	**1,110**	1,191
Total short-term borrowings	**1,195**	1,192

*The Company has an overdraft facility with a bank, which is secured against book debts of the Company. The overdraft is repayable on demand and carries interest @ 13.70 % p.a.

**Represents the line of credit taken by Retreat, which is secured against all business assets of the Company. The line of credit carries interest @ 6.25 % p.a (bank's prime rate plus 1.5%). The Company has defaulted the repayment of such line of credit facility which is due since June 2014. Subsequent to the year end, Retreat has re-negotiated terms with regrad to repayment of such borrowings.

8 Other current liabilities		
Trade payables	**1,043**	1,494
Other liabilities		
Current maturities of long-term borrowings (Includes current maturity of finance lease obligation)	**164**	227
Others		
- Withholding and other tax payables	**193**	133
- Other non trade payables	**384**	311
Total	**741**	671
Total other current liabilities	**1,784**	2,165

*Finance lease obligations are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an average interest rate of 10 % with repayment term of 5 years.

*Finance lease obligations of Retreat are secured by equipments, computer peripheral equipments and vehicles acquired which has an interest rate of "2.9% to 5% p.a." for equipments and vehicle and "16% to 22.85% p.a." in case of computer equipments with repayment term of 5 years.

Interest payments of Rs. 16 and principal amounting to Rs. 121 on Retreat's finance lease obligation was overdue as at March 31, 2015 subsequent to the year end, Retreat has renegotiated terms with regard to repayment of such borrowings.

9 Short-term Provisions		
Provision for employee benefits		
Provision for employee bonus	**14**	27
Provision for gratuity [Note 24]	**182**	155
Provision for leave benefits	**70**	73
Other provisions		
Provision for taxation	**93**	1,633
Total short term provisions	**359**	1,888

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

10 Fixed assets

Particulars	Tangible assets							Intangible assets			
	Plant and machinery			Furniture and fixtures	Leasehold improvements	Vehicles #	Total	Goodwill acquisition	Computer software*	Goodwill on Consolida-tion	Total
	Computers and servers	Call centre equipment	Office equipment								
Cost or valuation as at April 1, 2013	2,867	3,473	791	932	1,925	278	10,266	254	1,909	1,268	3,431
Additions	73	10	171	52	44	58	408	-	285	302	587
Disposals	41	253	8	44	-	43	389	-	92	40	132
At March 31, 2014	**2,899**	**3,230**	**954**	**940**	**1,969**	**293**	**10,285**	**254**	**2,102**	**1,530**	**3,886**
Additions	102	10	43	14	81	8	258	-	149	-	149
Disposals	153	42	12	7	286	86	586	-	11	-	11
At March 31, 2015	**2,848**	**3,198**	**985**	**947**	**1,764**	**215**	**9,957**	**254**	**2,240**	**1,530**	**4,024**
Depreciation \ Amortization as at April 1, 2013	1,977	2,968	288	494	1,806	37	7,570	235	1,318	281	1,834
Charge for the year	319	193	161	87	50	36	846	19	387	-	406
Disposals	39	253	8	44	-	16	360	-	31		31
At March 31, 2014	**2,257**	**2,908**	**441**	**537**	**1,856**	**57**	**8,056**	**254**	**1,674**	**281**	**2,209**
Charge for the year	**343**	**136**	**154**	**132**	**79**	**41**	**885**	**-**	**320**	**-**	**320**
Transfer to General Reserve **	**114**	**105**	**155**	**19**	**-**	**2**	**395**	**-**	**-**	**-**	**-**
Disposals	**106**	**81**	**8**	**7**	**286**	**39**	**527**	**-**	**9**	**-**	**9**
At March 31, 2015	**2,608**	**3,068**	**742**	**681**	**1,649**	**61**	**8,809**	**254**	**1,985**	**281**	**2,520**
Net Block											
At March 31, 2014	642	322	513	403	113	236	2,229	-	428	1,249	1,677
At March 31, 2015	**240**	**130**	**243**	**266**	**115**	**154**	**1,148**	**-**	**255**	**1,249**	**1,504**

#Vehicles includes vehicles taken on finance lease: Gross block Rs.178 (March 31, 2014: Rs. 251) ; Depreciation charge for the year Rs. 23 (March 31, 2014: Rs. 30) ; Accumulated depreciation Rs. 45 (March 31, 2014: Rs. 43) ; Net book value Rs. 133 (March 31, 2014: Rs. 208).

* Includes loss on impairment of assets amounting to Rs. 61 representing net book value of such assets as at March 31, 2014.

** The Company has adopted useful life for all the tangible fixed assets as indicated in Schedule II of the Companies Act, 2013. Based on the transitional provision given in Note 7 (b) of Schedule II, an amount of Rs. 395 has been adjusted to the balance carried forward (deficit) in the statement of profit and loss.

Finance lease obligations of Retreat are secured by equipments , computer peripheral equipments and vehicles acquired which has an interest rate of 2.9 % to 5%, p.a. for equipments and vehicles, 16% to 22.85 % p.a. in case of computer equipments.

Additions and Depreciation charge for the current year include foreign currency translation adjustment arising on consolidation of a foreign subsidiary aggregating Rs. (127) and Rs. (104) respectively.

Additions and Depreciation charge for Previous year include foreign currency translation adjustment arising on consolidation of a foreign subsidiary aggregating Rs. (144) and Rs. (10) respectively.

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
11	**Long-term loans and advances (Unsecured, considered good unless stated otherwise)**		
	Security deposit	**557**	531
	Other loans and advances		
	Advance income-tax (net of provision for taxation)	**1,598**	1,739
	Prepaid expenses	**5**	14
	Total Long-term loans and advances	**2,160**	2,284
12	**Other assets (Unsecured, considered good unless stated otherwise)**		
	Other non-current assets		
	Non-current bank balances	**285**	71
	Interest accrued on fixed deposits	**3**	-
	Total Other non-current assets	**288**	71
13	**Current investments**		
	Current investments (valued at lower of cost and fair value, unless stated otherwise)		
	Unquoted mutual funds	**175**	1,072
	Total current investments	**175**	1,072
	Aggregate amount of unquoted investments (Net Asset Value)	**188**	1,102

Details of current investments

Current investments in mutual funds at the year end comprise:

Name of Mutual fund	March 31, 2015 No of units (in lakhs)	Amount
Birla Sun Life Floating Rate Fund Short Term Plan - Growth - Regular Plan	**0.40**	75
HDFC FMP 531D December 2013 (1) Series 29 - Regular - Growth	**10.00**	100
Total		175

Name of Mutual fund	March 31, 2014 No of units (in lakhs)	Amount
Reliance Short Term Fund-Growth Plan Growth Option	**4.63**	100
ICICI Prudential Short Term - Regular Plan - Growth	**2.03**	50
HDFC Short Term Plan - Growth	**2.16**	51
Birla Sun Life Dynamic Bond Fund - Retail - Growth - Regular Plan	**2.43**	50
HSBC Floating Rate Fund - Long Term Plan - Growth	**2.67**	52
Sundaram Money Fund Regular Growth	**3.95**	105
HDFC FMP 531D December 2013 (1) Series 29 - Regular - Growth	**10.00**	100
Baroda Pioneer Liquid Fund Plan A - Growth	**0.11**	161
Religare Invesco Ultra Short Term Fund - Growth	**0.10**	176
DWS Money Plus Fund - Institutional Plan - Growth	**5.69**	75
IDFC Money Manager Fund-Treasury Plan-Growth	**3.75**	75
Principal Cash Management Fund-Regular Plan Dividend Daily -Reinvestment	**0.08**	77
Total		**1,072**

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
14	**Current trade receivable (unsecured)**		
	Outstanding for a period exceeding six months from the date they are due for payment		
	- Considered good	**4**	-
	- Considered doubtful	**35**	-
	Less: Provision for doubtful receivables	**(35)**	-
		4	-
	Other receivables, considered good	**2,946**	3,266
	Total Current trade receivable	**2,946**	3,266

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
15	**Cash and bank balances**		
	Current		
	Cash and cash equivalents		
	Balances with banks:		
	- On current accounts	**443**	477
	Cash on hand	**2**	1
		445	478
	Other bank balances		
	- Margin money deposit @	**224**	412
		224	412
		669	890
	Non-current		
	Other bank balances		
	- Margin money deposit	**285**	**71**
	Amount disclosed under non-current assets (note 12)	**(285)**	(71)
	Total cash and bank balances	**669**	890

*Restricted cash balance of Allsectech Inc represents five escrow accounts opened in order to comply with collection licenses requirements from various states. Amounting to Rs. 4.65 (March 31, 2014: Rs. 64.85)

@ Margin money deposits with a carrying amount of Rs. 509, (March 31, 2014: Rs. 483) are subject to first charge to secure the Company's letter of credit and guarantee.

* Includes restricted cash balance amounting to Rs. Nil, (March 31, 2014 Rs. 55 lakhs of Allsec Technologies Ltd)

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
16	**Short-term loans and advances (Unsecured, considered good unless stated otherwise)**		
	Security deposit	**-**	1
	Advances recoverable in cash or kind		
	Unsecured, considered good	**27**	45
	Doubtful	**230**	222
	Less: Provision for doubtful advances	**(230)**	(222)
	Other loans and advances		
	Prepaid expenses	**145**	191
	Balances with statutory / government authorities	**25**	21
	Total Short-term loans and advances	**197**	258
	Short-term Loans and advances include recoverable from Directors	**-**	36

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
17	**Other Current Assets (Unsecured, considered good unless stated otherwise)**		
	Others		
	Interest accrued on fixed deposits	**26**	24
	Unbilled revenues	**311**	32
	Total Other current assets	**337**	56
18	**Revenue from operations**		
	Income from IT enabled services	**11,200**	11,914
	Income from IT enabled services - Mortgage processing services	**3,886**	8,048
		15,086	19,962
19	**Other income**		
	Dividend income on current investments	**-**	1
	Net gain on sale of current investments	**77**	77
	Exchange differences (net)	**67**	83
	Liabilities no longer required written back	**177**	9
	Rental income	**464**	62
	Miscellaneous income	**88**	0
		873	232
20	**Employee benefit expense**		
	Salaries, wages and bonus	**9,415**	15,340
	Contribution to provident and other fund	**740**	369
	Gratuity expense (Refer Note 24)	**104**	27
	Staff welfare expenses	**450**	483
	Recruitment and training	**101**	120
		10,810	16,339

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	PARTICULARS	As at March 31, 2015	As at March 31, 2014
21	**Other expenses**		
	Electricity	**628**	583
	Rent and amenities	**1,414**	1,506
	Rates and taxes	**122**	432
	Insurance	**105**	130
	Repair and Maintanance		
	Plant and machinery	**564**	664
	Others	**393**	346
	Other selling expenses	**138**	199
	Travelling and conveyance	**311**	521
	Communication costs	**203**	304
	Legal and professional fees	**589**	538
	Bad debts written off	**38**	-
	Provision for bad & doubtful debts on Advances	**36**	223
	Impairment loss / Loss on fixed assets written off	**12**	1,032
	Miscellaneous expenses	**138**	204
		4,691	6,682
	# Payment to auditor (Included under legal and professional fees)		
	As auditor:		
	Audit fee	**26**	22
	Other services (certification fees)	**3**	2
		29	24
22	**Finance costs**		
	Interest - Others	**103**	185
	Bank charges	**60**	484
		163	669
23	**Interest income**		
	On Bank deposits	**44**	39
	On Others	**28**	-
		72	39

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

24. Gratuity benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rupees one million. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarizes the components of net benefit/ expense recognised in the statement of profit and loss account and the funded status and amounts recognised in the balance sheet for gratuity:

Statement of Profit and Loss account

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	**22**	26
Interest cost on benefit obligation	**18**	16
Expected return on plan assets	**-**	-
Net actuarial (gain) / loss recognized in the year	**64**	(15)
Net employee benefit expense	**104**	27

Balance sheet

Details of provision for gratuity

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2012
Defined benefit obligation	**(250)**	(198)	(207)	(192)	(208)
Fair value of plan assets	**17**	-	9	2	11
Plan asset / (liability)	**(233)**	(198)	(198)	(190)	(197)
Experience adjustment on plan asset	**-**	-	-	(1)	3

Experience adjustment on plan liabilities was loss of Rs. 44 (March 31, 2014: loss of Rs. 13; March 31, 2013: gain of Rs. 6; March 31, 2012: gain of Rs. 5; March 31, 2011: loss of Rs. 52).

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Opening defined benefit obligation	**198**	207
Interest cost	**18**	16
Current service cost	**22**	26
Benefits paid	**(52)**	(36)
Actuarial (gains) / losses on obligation	**64**	(15)
Closing defined benefit obligation	**250**	198

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Changes in the fair value of plan assets are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Opening fair value of plan assets	-	9
Expected return	-	-
Contributions by employer	69	27
Benefits paid	(52)	(36)
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	17	-
Actual return on plan assets	-	-

The major categories of plan asset as a percentage of the fair value of total plan asset are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Investments with insurer	100%	100%

Assumptions

Particulars	As at March 31, 2015	As at March 31, 2014
Discount rate	7.90%	9.29%
Expected return on plan assets	7.90%	8.70%

The fund is administered by Life Insurance Corporation of India. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Currently the group does not have any estimates of the contribution to be paid to the plan during the next year. Accordingly, the same has not been disclosed.

25. Employee stock option plans

The Company has two stock option plans that provide for the granting of stock options to employees including Directors of the Company (not being promoter Directors and Executive Directors, holding more than 10% of the equity shares of the Company). The option plans are summarized below:

Employee Stock Option Scheme (ESOS), 2010

The shareholders at the Annual General Meeting held on August 4,2010, had approved an Employee Stock Option Scheme 2010 (ESOS 2010) which provides for an issue of 600,000 options (each option convertible into 1 share) to the employees. Consequently, the compensation committee had granted 390,000 options on August 4,2010 and 100,000 options on August 2, 2012 at an exercise price of Rs. 45.05/- per share and Rs. 41.25/- per share respectively.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The Company has adopted the (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India and has recorded a compensation expense using the intrinsic value method as set out in those guidelines. The summary of the movements in options are given as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Options outstanding, beginning of year	**391,000**	431,000
Options granted during the year	-	-
Options exercised during the year	-	-
Options lapsed during the year	**123,000**	40,000
Options outstanding, end of year	**268,000**	391,000
Options outstanding at the year end comprise :		
- Options eligible for exercise at year end	**268,000**	391,000
- Options not eligible for exercise at year end	-	-
Weighted average remaining contract life of options (granted in August 04, 2010)	**0 year 4 months**	1 years 4 months
Weighted average remaining contract life of options (for 100,000 options granted on August 02, 2012)	-	3 years and 4 months
Vesting period of options		
- 50% of the options – one year from the date of grant		
- 50% of the options – two years from the date of grant		

The summary of the movements in options is as follows:

Particulars	No of options (2014-15)	Weighted average exercise price (Rs.)	No of options (2013-14)	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	**391,000**	45.05	431,000	45.05
Lapsed during the year	**23,000**	45.05	40,000	45.05
Lapsed during the year	**1,00,000**	41.25	-	-
Outstanding at the end of the year				
Granted in August 2010	**268,000**	45.05	291,000	45.05
Granted on August 2012	-	41.25	100,000	41.25

Particulars	As at March 31, 2015	As at March 31, 2014
Weighted average share price at the date of exercise (Rs.)	**NA**	NA
Range of share price of options outstanding at the year end (Rs.)		
Granted in August 2010	**45.05**	45.05

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Pro-forma Disclosures for ESOS 2010

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, had the compensation cost for ESOS 2010 been recognized based on the fair value at the date of grant in accordance with binomial method, the amounts of the Company's net loss and earnings per share would have been as follows:

Particulars	Profit / (Loss) after tax	Basic EPS (Rs.)	Diluted EPS (Rs.)
Year ended March 31, 2015			
- Amounts as reported	**(1,406)**	(9.23)	(9.23)
- Amounts as per pro-forma	**(1,406)**	(9.23)	(9.23)
Year ended March 31, 2014			
- Amounts as reported	(2,499)	(16.40)	(16.40)
- Amounts as per pro-forma	(2,499)	(16.40)	(16.40)

The fair value of options was estimated at the date of grant using the binomial method with the following assumptions:

Particulars	ESOS 2010
Risk-free interest rate	7.25%
Expected life	5 years
Expected volatility	56%
Expected dividend yield	-
Share price on the date of grant (04.08.2010)	Rs. 45.05/-
Share price on the date of grant (02.08.2012)	Rs. 41.25/-
Expected forfeiture	30%

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures.

26. Leases

Finance leases

Vehicles include cars obtained on finance lease. The lease terms range between 3 and 5 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	March 31, 2015	March 31, 2014
Total as at year end		
Minimum lease payments	**109**	145
Less: Finance charges	**15**	24
Present value	**94**	121
Not later than one year		
Minimum lease payments	**42**	44
Less: Finance charges	**8**	11
Present value	**34**	33
Later than one year but not later than five years		
Minimum lease payments	**66**	100
Less: Finance charges	**6**	13
Present value	**60**	87
Later than five years		
Minimum lease payments	**Nil**	Nil
Less: Finance charges	**Nil**	Nil
Present value	**Nil**	Nil

Finance lease obligations of Retreat are secured by equipments, computer peripheral equipments and vehicles. The lease terms range between 3 and 5 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

Particulars	March 31, 2015	March 31, 2014
Total as at year end		
Minimum lease payments	**157**	394
Less: finance charges	**5**	27
Present value	**152**	367
Not later than one year		
Minimum lease payments	**134**	216
Less: finance charges	**5**	21
Present value	**129**	195
Later than one year but not later than five years		
Minimum lease payments	**22**	178
Less: finance charges	**0**	6
Present value	**22**	172

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Operating leases

Office premises in India are obtained under operating lease. Lease rentals incurred during the year of Rs. 883 (previous year: Rs. 790) have been charged as an expense in the statement of profit and loss account. The lease terms vary between 3 and 9 years. There are no restrictions imposed by lease arrangements. There are no subleases. The future lease rentals payable are as follows:

Particulars	March 31, 2015	March 31, 2014
Up to 1 year	**777**	491
1 to 5 years	**2,631**	918
Beyond 5 years	**45**	-
Total	**3,453**	**1,409**

Allsectech Manila Inc has entered into an operating lease. Lease rentals incurred during the year of Rs. 258 (previous year: Rs. 259) have been charged as an expense in the statement of profit and loss. The lease terms vary between 1 and 3 years. There are no restrictions imposed by lease arrangements. The future lease rentals payable are as follows:

Particulars	March 31, 2015	March 31, 2014
Upto 1 year	**206**	251
1 to 3 Years	**-**	197
Total	**206**	**448**

Retreat Management Inc has entered into an operating lease. Lease rentals incurred during the year of Rs. 189 (previous year: Rs. 267) have been charged as an expense in the statement of profit and loss. The lease terms vary between 1 and 3 years. There are no restrictions imposed by lease arrangements. There are no subleases. The future lease rentals payable are as follows:

Particulars	March 31, 2015	March 31, 2014
Upto 1 year	**82**	259
1 to 3 Years	**-**	167
Total	**82**	**426**

27. Segment information

a. The Group's operations predominantly relates to IT enabled services for customers located in India and outside India and Mortgage Services to the customers outside India, accordingly these have been considered as primary reportable segments. The group has considered geographical as the secondary segment based on the location of the customers.

b. Segment accounting polices-

The group prepares its segment information in conformity with the Accounting policies adopted for preparing and presenting the financial statement of the group as a whole.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	IT Enabled Services		IT Enabled Services Mortgage Processing Service		Elimination entries		Total	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Total revenue (net)	**12,670**	12,152	**3,886**	8,048	**(1,470)**	(238)	**15,086**	19,962
Segment result	**(589)**	350	**(1,426)**	(5,083)	**-**	-	**(2,015)**	(4,734)
Operating profits	**(589)**	350	**(1,426)**	(5,083)	**-**	-	**(2,015)**	(4,734)
Interest Expense	**64**	**87**	**99**	**582**	**-**	**-**	**163**	**669**
Interest income	**72**	**39**	**-**	**-**	**-**	**-**	**72**	**39**
Other non operating income	**873**	**-**	**-**	**-**	**-**	**-**	**873**	**-**
Tax Expenses / (Income)	**81**	17	**92**	(1,666)	**-**	-	**173**	(1,649)
Net profit after tax	**211**	285	**(1,617)**	(3,999)	**-**	-	**(1,406)**	(3,714)
Segment assets	**14,006**	**8,572**	**1,356**	**4,032**	**(5,746)**	**898**	**9,616**	**13,502**
Total assets	**14,006**	**8,572**	**1,356**	**4,032**	**(5,746)**	**898**	**9,616**	**13,502**
Segment liabilities	**2,472**	**1,571**	**6,745**	**2,696**	**(5,746)**	**(349)**	**3,471**	**5,548**
Total liabilities	**2,472**	**1,571**	**6,745**	**4,326**	**(5,746)**	**(349)**	**3,471**	**5,548**
Capital expenditures	**330**	637	**77**	358	**-**	-	**407**	995
Depreciation and amortization	**696**	804	**405**	438	**-**	-	**1101**	1,242

The Group has considered geographical segment as the secondary segment, based on the location of the customers invoiced.

Information about secondary segments	**March 31, 2015**	**March 31, 2014**
Revenue from services		
United States of America	**7,458**	12,046
United Kingdom	**875**	2,541
India	**6,477**	5,306
Others	**276**	69
Total	**15,086**	**19,962**

Fixed assets used in the Group's business, Liabilities and expenses of the group have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. The Group believes that it is currently not practicable to provide segment disclosures relating to assets, liabilities, capital expenditure since a meaningful segregation of the available data is onerous.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

28. Related party disclosures

1. Names of related parties

Relationship	Name of the party
Related parties under AS 18 with whom transactions have taken place during the year Wholetime Directors	A. Saravanan R. Jagadish
Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year	
Chief Financial Officer, Allsec Technologies Ltd.	K. Narasimhan
Company Secretary, Allsec Technologies Ltd.	A. Mohan Kumar

2. Transactions with related parties:

Particulars	Key Management	
	March 31, 2015	March 31, 2014
Remuneration - Whole time Directors	**241**	168
Remuneration - Other Key Management Personnel	**68**	64

3. Balances with related parties:

Particulars	Key Management	
	March 31, 2015	March 31, 2014
Advance recoverable from Directors	--	36

29. Contingencies and commitments

Particulars	March 31, 2015	March 31, 2014
Commitments		
Capital contracts yet to be executed	**19**	**4**
Contingent liabilities		
Claims against the Company not acknowledged as debts *	**109**	**109**

* Represents demand received from the Tamil Nadu Electricity Board in January 2008 relating to reclassification disputes on the tariff category applicable to the Company in two of its delivery centers with retrospective effect from 2005. The Company has obtained an interim stay order from the Hon'ble High Court of Madras against this claim. The Company considers the claim to be erroneous and as not payable under the specified tariff category applicable to ITES units.

The Company has pending assessments with local tax authorities for FY 2004 - FY 2009. However as these assessments are expected to have an impact only on the carried forward losses and unabsorbed depreciation that can be carried forward by the company and not give rise to a cash outflow, no amounts have been disclosed as contingent liability.

30. Earnings per share (EPS)

The following reflects the profit and share data used in basic and diluted EPS computation:

Particulars	March 31, 2015	March 31, 2014
Net profit / (loss) for calculation of basic and diluted EPS	**(1,406)**	(2,503)
Weighted average number of equity shares in calculating basic EPS (Nos in lakhs)	**152**	152
Par value per share (Rs.)	**10**	10

31. Retreat has recognized deferred tax asset on carry forward losses, to the extent that it is virtually certain that it would be able to utilize such taxable losses against the taxable profits of the earlier years, as per the local regulations in its jurisdiction. The other subsidiaries and the Company has not recognised deferred tax assets arising primarily on account of carried forward tax losses and unabsorbed depreciation, as subsequent realization of such amounts is not virtually certain.

32. Additional information required as per schedule-III:

Name of the entity	Net Assets ie, total assets minus total liabilities		Share in profit or loss	
	As a % of consolidated assets	Amount	As a % consolidated profit or loss	Amount
Parent	187%	11,477	11%	-153
Foreign subsidiaries:				
Allsectech Inc		-	-86%	1,206
Allsectech Manila Inc	-31%	-1,896	-21%	290
Retreat Capital Management Inc	-52%	-3,166	198%	-2,786
Centigral Inc	-4%	-270	-3%	37
Total	100%	6,145	100%	-1,406

33. Compliance with Section 269 of the Companies Act, 1956:

The Company had made an application to the Ministry of Corporate Affairs (MCA) in January 2014 seeking approval for the re-appointment of the whole time directors under the section 269 of the Companies Act 1956 and also for the remuneration to be paid to them for the period from April 1, 2013 to March 31, 2016. The application for reappointment was accepted by MCA vide communication dated January 10, 2014, restricting the remuneration to directors to Rs. 84 per annum per director. As the Company has paid an amount of Rs. 36 in excess of the remuneration approved by MCA, the management had filed an application for condonation with the Ministry of Corporate Affairs in February 2014 seeking waiver of excess remuneration paid during the period April - December 2013. Pending receipt of such waiver, the excess remuneration paid, amounting to Rs. 36 has been disclosed was 'Advances recoverable from directors' during the previous year. However, during the current year, MCA had rejected the application made by the Company to waive the excess remuneration paid to the directors and accordingly, the same was recovered from them during the current year.

34. Previous year figures

Previous year figures have been regrouped / reclassified, wherever necessary, to conform to current year's classification. Current year figures include the transactions of Centigral for the period from April 1, 2014 to September 30, 2014 (date on which the company had filed for liquidation with the authorities).

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

per Aniruddh Sankaran
Partner
Membership No: 211107

Place : Chennai
Date : May 20, 2015

For and on behalf of the Board of Directors

A. Saravanan
Director

R. Jagadish
Director

K. Narasimhan
Chief Financial Officer

A. Mohan Kumar
Company Secretary

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ALLSEC TECHNOLOGIES LIMITED

Regd. Office: 7H Century Plaza, 560-562 Anna Salai, Teynampet, Chennai 600 018.
Corp. Office: 46B Velachery Main Road, Velachery, Chennai 600 042.

ATTENDANCE SLIP

Date & Time	Friday 7th August 2015 10.00 AM
Venue	Narada Gana Sabha, Mini Hall, 314, TTK Salai, Alwarpet, Chennai 600018

Folio No.	No. of Shares

DEMAT PARTICULARS

DP ID No.

I	N	

Client ID No.

M/r./Ms ____________________

MEMBER ☐ **PROXY** ☐

(Please tick as applicable)

Note:
1. The Proxy form should be filled in full and the proxy form signed across revenue stamp should reach the share Transfer Agents M/s. Karvy of the Registered Office of the Company at least 48 hours before the scheduled time of the meeting.
2. Only Shareholders of the Company of their proxies will be allowed to attend the Meeting ON PRODUCTION OF THIS ATTENDANCE SLIP duty completed and signed.
3. Shareholders who hold shares in dematerialised from are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.

I hereby record my presence at the 16th Annual General Meating of the Company

----
Signature of Member / Proxy

ALLSEC TECHNOLOGIES LIMITED

Regd. Office: 7H Century Plaza, 560-562 Anna Salai, Teynampet, Chennai 600 018.
Corp. Office: 46B Velachery Main Road, Velachery, Chennai 600 042.

FORM OF PROXY

Follo No.	No. of Shares held

DP ID No.	I	N	
Client ID No.			

I / We .... of

....
(Address)

being Member of ALLSEC TECHNOLOGIES LIMITED hereby appoint

.... of
(Name of Proxy)

.... Or falling him
(Address of Proxy)

.... of
(Name of alternate proxy)

.... As my / our
(Address of alternate proxy)

Proxy to vote for me / us on my / our behalf at the 16th ANNUAL GENERAL MEETING of the Company to be held at 10.00 AM on Friday, the 7th August 2015 and at any adjournment thereof.

Dat: .... Signature ....

Re. 1
Revenue
Stamp