



**CURA TECHNOLOGIES LIMITED**

**2015 - 16**

**25<sup>th</sup> ANNUAL REPORT**

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Plot No. 12, Software Units Layout, Cyberabad,  
Hyderabad - 500 081, Telangana.

## CURA TECHNOLOGIES LIMITED

CIN: L72200TG1991PLC013479

### BOARD OF DIRECTORS

|                                   |   |   |
|-----------------------------------|---|---|
| <b>Sri Bala Reddy G.</b>          | - | <b>Chairman &amp; Managing Director</b>   |
| <b>Smt. Lalitha Gudimetla</b>     | - | Director  |
| <b>Sri Venkata Reddy Nalabolu</b> | - | Director  |
| <b>Sri T. Srinivasa Rao</b>       | - | Director  |
| <b>D. Alima</b>                   | - | Company Secretary   |
| <b>Registered Office</b>          | : | Plot No 12, Software Unit Layout,<br>Cyberabad, Hyderabad – 500 081<br>Tel : 040-23111793<br>Fax : 040-23100385<br>E-Mail: secretarial@curasoftware.com<br>Website : www.curatechnologies.co.in |
| <b>Auditors</b>                   | : | RAMBABU & CO.<br>Chartered Accountants<br>Pancom Chambers, 6-3-1090/1/A,<br>Rajbhavan Road, Somajiguda,<br>Hyderabad - 500 082.   |
| <b>Bankers</b>                    | : | State Bank of India<br>Andhra Bank<br>Axis Bank Limited<br>HDFC Bank Limited  |
| <b>Share Transfer Agents</b>      | : | <b>Venture Capital and Corporate<br/>Investments Private Limited</b><br>12-10-167, Bharatnagar,<br>Hyderabad – 500 018  |

## NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of the Company will be held on Friday, 30th December, 2016 at 10.00 A.M. at FAPCCI Auditorium Hall, 11-6-841, Federation House, Red Hills, FAPCCI MARG, Hyderabad, Telangana - 500004 to transact the following items of business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2016, the Statement of Profit and Loss Account and cash flow statement for the year ended on that date together with the notes attached thereto, along with the Reports of the Auditors and Directors thereon.
2. To ratify the continuation of the Statutory Auditors.

**“RESOLVED THAT** pursuant to the provisions of Section 139(2) and 142 and all other applicable provisions of the Companies Act, 2013 and the rules made there under, including statutory modifications thereto or re-enactments thereof for time being in force, and pursuant to the recommendations of the audit committee of the Board of Directors, the appointment of M/S. Rambabu & Co, Chartered Accountants (Firm Registration No. 002976S ), which was made in AGM 2014 for Five Consecutive Audit-Years ending on the conclusion of AGM for FY 2019 be and is hereby ratified and confirmed for the remaining audit period on such remuneration agreed upon by the Board of Directors and Auditors, in addition to reimbursement of all out of-pocket expenses in connection with the audit of the accounts of the Company as fixed by the Board of Directors”

### SPECIAL BUSINESS:

3. **APPOINTMENT OF Mr. TELUKUTLA SRINIVASA RAO AS A DIRECTOR OF THE COMPANY:**

*To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:*

“RESOLVED THAT pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 and the Rules made there under, Mr. Telukutla Srinivasa Rao (DIN: 06545264), who was appointed as Additional Director in the Board of the Company on 07.07.2016 pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 read with Articles of Association to the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intension to propose Mr. Telukutla Srinivasa Rao (DIN: 06545264) as candidate for the office of a director of the company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years commencing from the date of his appointment as Additional Director i.e. 07th July, 2016 up to the conclusion of Annual General Meeting (AGM) to be held in the calendar year 2021 or 06th July, 2021, whichever is earlier.”

“FURTHER RESOLVED THAT the Board is authorised to do all the necessary deeds, actions and things necessary in this regard including filing of forms with the statutory authorities etc.,

By Order of the Board of Directors  
**CURA TECHNOLOGIES LIMITED**

Place: Hyderabad  
Date: 28.11.2016

Sd/-  
**(G. BALA REDDY)**  
CHAIRMAN AND MANAGING DIRECTOR

**Notes:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
2. Members / proxies are requested to bring their attendance slip along with their copy of annual report to the Meeting.
3. Members whose shareholding is in the electronic mode are requested to inform change of address and updates of savings bank account details to their respective depository participants. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
4. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
5. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, and Circulars etc. from the Company electronically.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. The business set out in the Notice will also be transacted through electronic voting system (e-voting facility) and as required the Company is providing the said e-voting facility to its members. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members, who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by an e-mail.
8. The Company has engaged the services provided by Central Depository Services (India) Limited (CSDL) as the Agency to provide e-voting facility. The e-voting facility will be available at the website [www.evotingindia.com](http://www.evotingindia.com) and instructions and other information relating to e-voting are given in this Notice under Note No. 13.
9. The members are requested to note that apart from aforesaid e-voting facility, ballot or polling paper will also be made available at the meeting to enable them to exercise their voting right at the meeting.
10. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
11. All documents referred to in the notice are open for inspection at the Corporate Office of the Company during office hours on all working days except public holidays, between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.
12. Information and other instructions relating to e-voting are as under:
  - i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Clause 35B of the Listing Agreement, the Company is extending facility of voting by electronic means (e-voting facility) to its members enabling them to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.
  - ii. Under this mode the members may either cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting') or at the venue of the meeting (insta poll). The insta poll facility shall be made available at the Meeting to enable the members attending the Meeting who have not cast their vote by remote e-voting can vote at the Meeting through 'Insta Poll'.
  - iii. The members who have cast their vote by e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - iv. 23rd December, 2016 is fixed as cut-off date for e-voting facility purpose and accordingly a person whose name is recorded in the register of members (either in physical form or in dematerialization form) as on the cut-off date only are entitled to avail the e-voting facility based on the paid up value of shares held as on that date.

- v. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 23rd December, 2016 is requested to contact Central Depository services (INDIA) Limited (CDSL) to get the details relating to his/her user-id and password. Members may send an email request to [www.evotingindia.com](http://www.evotingindia.com)
- vi. The Board of Directors of the Company has appointed Mr.K.CH. Venkat Reddy of M/s C.V. Reddy K & Associates, Practicing Company Secretaries as Scrutinizer to scrutinize the insta poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed as such.
- vii. The Scrutinizer, after scrutinizing the votes cast at the meeting (Insta Poll) and through remote e-voting, will, not later than three days of conclusion of the Annual General Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. Thereafter, the Chairman or any other person authorized by the Chairman shall declare the result of the voting forthwith. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.curatechnologies.co.in](http://www.curatechnologies.co.in) and on the website of [www.evotingindia.com](http://www.evotingindia.com). The results shall simultaneously be communicated to the Stock Exchange.
- viii. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 30th December, 2016.
- ix. Members are requested to note that the remote e-voting will open at 09.00 A.M. (IST) on December 27, 2016 and shall remain open till 5.00 P.M. (IST) on December 29, 2016 and the remote e-voting module will be disabled by CDSL after 5.00 P.M. on December 29, 2016.
- x. The procedure and instructions for remote e-voting are as follows:

**In case of members receiving e-mail:**

- i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii) Click on "Shareholders" tab.
- iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

|                        | <b>For Members holding shares in Demat Form and Physical Form</b>  |
|------------------------|--|
| PAN*                   | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul> |
| DOB#                   | Enter the Date of Birth as recorded in your demat account or in the company Records for the said demat account or folio in dd/mm/yyyy format.  |
| Dividend Bank Details# | <p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>  |

- viii) After entering these details appropriately, click on “SUBMIT” tab.
- ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, and NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- B) The voting period begins on 27.12.2016 at 9.00 A.M and ends on 29.12.2016 at 05.00 P.M During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23.12.2016 of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**General Instructions:**

- a. The e-voting period commences on 27.12.2016 (09.00 A.M) and ends on 29.12.2016 (05.00 P.M.) During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23.12.2016 may cast their vote electronically. The e-voting module shall also be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- b. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23.12.2016, and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- c. K.CH. Venkat Reddy of M/s C.V. Reddy K & Associates, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- d. The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.
- e. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 23.12.2016. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.curatechnologies.co.in](http://www.curatechnologies.co.in) and on the website of CDSL within two days of the passing of the resolutions at 25th Annual General Meeting of the Company on 30th day December 2016 and communicated to the Stock Exchanges.

**EXPLANATORY STATEMENT**

(Pursuant to Section 102 of the Companies Act, 2013)

**Item No, 4:**

The members may note that Mr. TELUKUTLA SRINIVASA RAO (DIN: 06545264) was inducted into Board as Additional Director of the company, with effect from 07.07.2016 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from member of the company along with the requisite deposit under Section 160 of the Companies Act, 2013 proposing the candidature of the above said persons for the Office of Director whose not liable to retire by rotation. As per the provisions of section 160 of the Act, any such proposal ought to be approved by the members in the General Meeting.

Hence, the Board recommends the resolution for your approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mr. Telukutla Srinivasa Rao is concerned or interested, financially or otherwise, in this Resolution set out at item no. 4 for approval of the Members.

By Order of the Board of Directors  
**CURA TECHNOLOGIES LIMITED**

Place: Hyderabad  
Date: 28.11.2016

Sd/-  
**(G. BALA REDDY)**  
CHAIRMAN AND MANAGING DIRECTOR

**BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS**

Dear Members,

Your Directors are pleased to present the Twenty Fifth Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2016.

**FINANCIAL RESULTS**

(Amount in Rs. in Lakhs)

| PARTICULARS                   | Standalone                |                            | Consolidated              |                            |
|-------------------------------|---------------------------|----------------------------|---------------------------|----------------------------|
|                               | Current Year<br>2015-2016 | Previous Year<br>2014-2015 | Current Year<br>2015-2016 | Previous Year<br>2014-2015 |
| Income                        |                           |                            |                           |                            |
| Software & Technical Services | <b>633.33</b>             | 557.73                     | <b>2342.60</b>            | 2864.30                    |
| Lease/Rental Income           | <b>291.54</b>             | 314.46                     | <b>248.81</b>             | 272.44                     |
| Other Income                  | <b>7.29</b>               | 11.24                      | <b>84.67</b>              | 56.98                      |
| Total Income                  | <b>932.16</b>             | 883.43                     | <b>2676.09</b>            | 3193.72                    |
| Total Expenditure             | <b>960.43</b>             | 3349.78                    | <b>3329.65</b>            | 15828.61                   |
| Profit/(loss) before tax      | <b>(28.27)</b>            | (2466.36)                  | <b>(653.57)</b>           | (12634.89)                 |
| Provision for Tax             | <b>(12.67)</b>            | (13.12)                    | <b>12.98</b>              | 70.44                      |
| Net Profit/(Loss) after Tax   | <b>(15.60)</b>            | (2453.24)                  | <b>(666.55)</b>           | (12705.33)                 |
| EPS - Basic                   | <b>(0.16)</b>             | (25.67)                    | <b>(6.98)</b>             | (132.97)                   |
| EPS - Diluted                 | <b>(0.16)</b>             | (25.67)                    | <b>(6.98)</b>             | (132.97)                   |

**OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE**

Your Company has recorded a consolidated income (as per Indian GAAP) of 2676.09 Lakhs for the Financial Year under review and Loss of 653.57 Lakhs.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

During the period under review and the date of Board's Report there was no change in the nature of Business.

**TRANSFER TO RESERVES:**

Directors have decided not to transfer any amount to reserves for the year.

**DIVIDEND:**

Due to losses, no dividend has been recommended by directors for the financial year 2015 – 16.

**SHARE CAPITAL**

The Paid up Equity Share Capital as on 31st March, 2016 was 9.55 crores. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

**PUBLIC DEPOSITS:**

Your Company has not accepted any deposits falling under Section 76(1) of the Companies Act, 2013 and any other applicable provisions of the Act read with Rule 2 of the Companies (Acceptance of Deposits) Rules 2014 during the year under review.

**BOARD MEETINGS DURING THE YEAR:**

The Board of Directors duly met 6 (Six) times on 17.04.2016, 30.05.2015, 14.08.2015, 27.08.2015, 17.11.2015 and 13.02.2016 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

**APPOINTMENT / RE-APPOINTMENT OF DIRECTORS / CEO / CFO AND KEY MANAGERIAL PERSONNEL:**

During the year, Mr. TELUKUTLA SRINIVASA RAO was appointed as Additional Director w.e.f. 07.07.2016. Mr Venkateswara Rao Gudipudi, Executive Director and Mr. Avula Venkata Narayana Reddy, Independent has resigned w.e.f 17.11.2015 and 13.02.2016.

On 13th August, 2016 appointment of Ms. Alima Dudakulla as Company Secretary of the Company in place of Mr. Katakam Vinood Kumar.

**The details of the appointment/re-appointment of the director/s:**

| Particulars   | Details                  | Details   |
|---|--------------------------|---|
| DIN   | 06545264                 | 01562665  |
| Date of Birth   | 16.05.1968               | 26.06.1965  |
| Date of Appointment   | 07.07.2016               | 07.04.2008  |
| Qualifications  | MA Phd                   | M.A.,   |
| No. of Shares held in the Company   | Nil                      | 2069  |
| Directorships held in other companies (excluding private limited and foreign companies) | I.C.S.A. (INDIA) LIMITED | 1. P R CEMENTS LTD<br>2. I.C.S.A. (INDIA) LIMITED<br>3. SAHASRA INVESTMENTS PRIVATE LIMITED<br>4. BRG ENERGY LIMITED<br>5. SOFTPRO TECHNOLOGIES PRIVATE LIMITED |
| Positions held in mandatory committees of other companies                               | -                        | -   |
| Relationship with other directors of the Company  | -                        | -   |

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received declarations from Mr. Venkata Reddy Nalabolu, Mr. Lalitha Gudimetla and Mr. Telukutla Srinivasa Rao, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.- Annexure-IV

**PARTICULARS OF EMPLOYEES:**

There are no employees whose particulars are to be furnished U/s 197 (12) of the Companies Act, 2013 and any other applicable provisions of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, as the remuneration of none of the employees has crossed the limits specified therein.

**HUMAN RESOURCES**

'Human Resources' are recognized as a key pillar of any successful organization and so is for CURA TECHNOLOGIES LIMITED. The company puts constant efforts in recruiting and training the employees and ensures to bring out the best of them. The company adopts a HR policy and ensures that all the employees are aware of personnel policies. The needs of the employees are addressed with high importance and efforts are made to provide a highly challenging and healthy environment. Besides all these, the company places high emphasis on professional etiquette required of every employee.

**BUSINESS RISK MANAGEMENT**

The Company has adopted a Risk Management Policy in accordance with the provisions of the Companies Act, 2013 and. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

#### **INTERNAL CONTROLS SYSTEMS AND ADEQUACY**

Cura Technologies Limited has an adequate system of internal control to ensure that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly, financial and other data are reliable for preparing financial information and other data and for maintaining accountability of assets. The internal control is supplemented by extensive programme of internal audits, review by management, documented policies, guidelines and procedures.

#### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not made any investment or given any loans or guarantees or provided any security during the year.

#### **FIXED DEPOSITS:**

The Company has not accepted any fixed deposits during the financial year 2015-2016. There are no outstanding deposits as on 31.03.2016

#### **RELATED PARTY TRANSACTIONS:**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in prescribed form AOC-2, is appended as Annexure to the Board's report.

#### **PERFORMANCE EVALUATION**

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013, Annual Performance Evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration has been carried out.

The Performance Evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

#### **NOMINATION AND REMUNERATION POLICY**

The Company has adopted the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and Clause 49 of the Listing Agreement.

#### **The Nomination and Remuneration Committee has considered the following factors while formulating the Policy:**

- (i) 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;
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company. Details of the Remuneration Policy are given in the Corporate Governance Report.

**BOARD AND COMMITTEE MEETINGS**

A calendar of Board and Committee Meetings to be held during the year was circulated in advance to the Directors. Six Board Meetings were convened and held during the year.

The Board has constituted an Audit Committee with all Independent Directors namely Mrs. LALITHA GUDIMETLA, Mr. VENKATA REDDY NALABOLU, and Mr. A.V.N REDDY as Members. There have not been any instances during the year when recommendations of the Audit Committee were not accepted by the Board.

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act and the SEBI (LODR) Regulation, 2015.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your Directors to the best of their knowledge and ability confirm as under:

- a) In the preparation of the annual accounts, for the year ended 31st March 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis; and
- e) The Company had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively.
- f) The have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**AUDITORS****STATUTORY AUDITORS**

M/s. Rambabu & CO., Chartered Accountants, Hyderabad as Statutory Auditors of the Company retires at the ensuing annual general meeting.

Pursuant to the provisions of section 139 of the Companies Act, 2013 and any other applicable provisions of the Act and the Rules framed there under, it is proposed to ratify the appointment of M/s. Rambabu & CO., (ICAI Reg. No. 002976S) as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 28th AGM to be held in the year 2019, subject to ratification of their appointment at every AGM. M/s. Rambabu & CO., Chartered Accountants have furnished the Certificate of their eligibility for appointment in compliance with Section 141 of the Companies Act, 2013 and any other applicable provisions of the Act

The Board recommends their re-appointment.

**SECRETARIAL AUDITORS**

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 M/s C.V. Reddy K & Associates, Practicing Company Secretaries, to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure III'.

The Secretarial Audit Report for the financial year ended 31st March, 2016 do not contain any qualification, reservation, adverse remark or disclaimer.

**INTERNAL AUDITORS:**

The Company does not have internal auditors.

**AUDIT REPORTS:****(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2016 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges that may occur in the industry.

**(b) Secretarial Audit Report:**

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013 and does not have any qualifications, reservations or adverse remarks except that the Company does not have internal auditors. The Board is looking for internal auditors and the vacancy will be filled shortly.

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Since your Company does not have the net worth of Rs. 500 Crore or more, or turnover of

Rs. 1000 Crore or more, or a net profit of Rs. 5 Crore or more during the financial year, Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

**COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with BSE Limited and framed the following policies which are available on Company's website i.e. [www.taazastores.com](http://www.taazastores.com)

- Board Diversity Policy
- Policy on preservation of Documents
- Risk Management Policy
- Whistle Blower Policy
- Familiarisation programme for Independent Directors
- Anti - Sexual Harassment Policy
- Related Party Policy
- Code of Conduct

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

Information in accordance with Section 134 of Companies Act, 2013 and any other applicable provisions of the Act read with the Companies (Accounts) Rules, 2014 and form part of the Directors Report for the period ended 31st March, 2016 is follows:

- A. Conservation of Energy** - Your Company is engaged in Software Development and IT Enabled Services and hence the details in respect of the above are not applicable. However, measures are taken to reduce energy consumption wherever possible.
- B. Research & Development** - Research and development of new services, designs, frameworks, processes and methodologies continue to be of importance at your Company. This allows Company to enhance quality and productivity and customer satisfaction through continuous innovation.
- C. Technology Absorption** - The Company being a knowledge based entity, continuously adapt itself to changing technologies so as to adhere to the quality policy and meet its clients' expectations.
- D. Foreign Exchange Earnings & Outgo:**

|                           | 2015-16 | 2014-15 |
|---------------------------|---------|---------|
| Foreign Exchange earnings | 4.93    | 267.10  |
| Foreign Exchange outgo    | -       | -       |

**INSURANCE:**

The assets of your Company are adequately insured.

**NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

**SECRETARIAL STANDARDS:**

The company is in compliance with SS 1 & SS 2.

**LISTING AT STOCK EXCHANGE:**

The Equity Shares of the Company continue to be listed on Bombay Stock Exchange Limited & National Stock Exchange of India Limited. Annual listing fees have been paid to these Exchanges for the year 2016-17.

**SUBSIDIARY COMPANIES:**

The Audit Committee of the Company reviews the financial statements of the subsidiary companies. The Audit Committee also reviews investment made by subsidiary companies, minutes of their Board meetings, and the statement of all significant transactions and arrangements entered into by the subsidiary companies. None of the Indian subsidiary of the Company falls under the term 'material non-listed Indian subsidiary' as defined under Clause 49 of the Listing Agreement.

The Company has 6 subsidiaries (including step down subsidiaries) as on 31st March 2016.

- a) CURA Global GRC Solutions Pte Ltd, Singapore.
- b) CURA Risk Management Software (PTY) Limited, South Africa.
- c) CURA Software Solutions UK Limited, UK.
- d) CURA Software Solutions Company, USA.
- e) CURA Risk Management Software (PTY) Limited, Australia.
- f) Softpro Technologies Private Limited.

The Consolidated Financial Statements represented by the Company includes the Audited Financial Information of its subsidiaries As per Section 129(3) of Companies Act, 2013 and any other applicable provisions of the Act (Corresponding to Section 212 of the Companies Act, 1956 to the extent applicable) the Company is required to attach the Directors' Report, Balance Sheet and Profit and Loss Account of the subsidiaries to the Annual Report. The Ministry of Corporate Affairs, Government of India vide its circular No. 2/2011 dated 8th February 2011 has provided an exemption to companies from complying with Section 212, of The Companies Act 1956, provided such companies publish the audited consolidated financial statements in their annual report. Accordingly, the Annual Report 2015-16 does not contain the financial statements of the subsidiaries.

The audited financial statement and related information of the subsidiaries will be made available for inspection during business hours at our registered office in Hyderabad, India and separate of copy of such statements will be provided at the request of the members.

**EXTRACT OF ANNUAL RETURN**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report – Annexure.

**SEXUAL HARASSMENT**

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

**CORPORATE GOVERNANCE:**

The Report on Corporate Governance, as required under Sebi (LODR) Regulations, 2015, forms part of the Annual Report.

- a) Management Discussion & Analysis Report: Aspects of Management Discussion and Analysis is enclosed as Annexure – I to this report.
- b) Report on Corporate Governance: A separate report on Corporate Governance along with Auditor's Certificate on its compliance is enclosed as Annexure – II to this report.

**ACKNOWLEDGEMENTS:**

Your Directors thank customers, vendors, bankers, and service providers as well as regulatory and Governments Authorities for their support.

Your Directors would also like to place on record their sincere appreciation and gratitude to the Shareholders for their support and co-operation. Your Directors express their heartfelt gratitude to the employees for their exceptional commitment and loyalty to the Company.

By Order of the Board of Directors

**CURA TECHNOLOGIES LIMITED**

Sd/-

**(G. BALA REDDY)**

CHAIRMAN AND MANAGING DIRECTOR

Place: Hyderabad

Date: 28.11.2016

## CODE OF CONDUCT

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Certificate of Code of Conduct for the year 2015-16 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Cura Technologies Limited is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2015-16.

By Order of the Board of Directors

**CURA TECHNOLOGIES LIMITED**

Sd/-

**(G. BALA REDDY)**

CHAIRMAN AND MANAGING DIRECTOR

Place: Hyderabad

Date: 28.11.2016

## Annexure

### AOC 1

STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 (CORRESPONDING TO SECTION 212 OF THE COMPANIES ACT, 1956 TO THE EXTENT APPLICABLE) RELATING TO SUBSIDIARY COMPANIES

| Sl. No. | Name of Subsidiary  | Financial year of the Subsidiary company ended on | Holding Company Interest                                   | Net aggregate amount of profit or losses of the subsidiary in so far as not dealt with in the Company's account so far as it concerns the members of the Holding Company |               |
|---------|---|---|--|--|---------------|
|         |   |   |  | Current Year   | Previous Year |
| 1       | Softpro Technologies Private Limited                      | 31st March, 2016                                  | 93.28%<br>(932820 Equity Shares of Rs. 10 each fully paid) | (6500)   | (6500)        |
| 2       | CURA Global GRC Solutions Pte Ltd, Singapore              | 31st March, 2016                                  | 100%<br>(subsidiary to CURA, India)                        | (1126057)  | (20246177)    |
| 3       | CURA Risk Management Software (PTY) Limited, South Africa | 31st March, 2016                                  | 100%<br>(Step down subsidiary to CURA, Singapore)          | (5457574)  | (5440164)     |
| 4       | CURA Software Solutions UK Limited, UK                    | 31st March, 2016                                  | 100%<br>(Step down subsidiary to CURA, South Africa)       | 76754  | (11005)       |
| 5       | CURA Software Solutions Company, USA                      | 31st March, 2016                                  | 100%<br>(Step down subsidiary to CURA, South Africa)       | 22065  | (29367)       |
| 6       | CURA Risk Management Software (PTY) Limited, Australia    | 31st March, 2016                                  | 100%<br>(Step down subsidiary to CURA, South Africa)       | 526534   | 398558        |

# INFORMATION ON FINANCIALS OF THE SUBSIDIARIES

(Pursuant to circular no. 2/2011 dated 08th February, 2012 issued by Ministry of Corporate Affairs)

| S. No. | Name   | Capital      | Reserves         | Other Liabilities | Total Liabilities | Fixed Assets | Total Assets  | Investments (except investment in the subsidiaries) | Turnover    | Profit before Taxation | Provision for Taxation | Profit After Taxation | Proposed Dividend |
|--------|--|--------------|------------------|-------------------|-------------------|--------------|---------------|---|-------------|------------------------|------------------------|-----------------------|-------------------|
| 1      | Softpro Technologies Pvt Limited - Hyderabad, India    | 10,000,000   | 1,92,755         | 4,20,941          | 1,06,13,696       | 0            | 1,06,13,696   | NIL   | NIL         | (6,500)                | NIL                    | (6,500)               | NIL               |
| 2      | Cura Global GRC Solutions Pte Limited - Singapore      | 17,03,01,143 | (1,50,58,05,565) | 1,44,80,83,559    | 11,25,79,137      | 0            | 11,25,79,137  | NIL   | 5,61,48,251 | (2,02,46,177)          | NIL                    | (2,02,46,177)         | NIL               |
| 3      | Cura Risk Management Software (Pty) Ltd - South Africa | 7,43,73,670  | (4,75,57,231)    | 15,39,47,468      | 18,07,63,906      | 4,27,005     | 18,07,63,906  | NIL   | 7,98,05,733 | (2,81,17,929)          | NIL                    | (2,81,17,929)         | NIL               |
| 4      | Cura Software Solutions UK Limited - UK                | 9,276        | (1,52,49,987)    | 0                 | (1,52,40,711)     | 39,236       | (1,52,40,711) | NIL   | 1,76,59,984 | (10,20,778)            | NIL                    | (10,20,778)           | NIL               |
| 5      | Cura Software Solutions Company - USA                  | 6,253        | (7,64,47,865)    | 13,04,30,514      | 5,39,88,902       | 0            | 5,39,88,902   | NIL   | 1,67,78,050 | (18,36,339)            | NIL                    | (18,36,339)           | NIL               |
| 6      | Cura Risk Management Software (Pty) Ltd - Australia    | 4,808        | (4,29,71,355)    | (1,38,81,263)     | (5,68,47,810)     | 7,47,008     | (5,68,47,810) | NIL   | 9,80,99,609 | 1,91,62,365            | NIL                    | 1,91,62,365           | NIL               |

**MANAGEMENT DISCUSSION & ANALYSIS**

The contents stated within this report may be futuristic in nature and may draw the attention of risks and uncertainties. The company would not have full control on risks associated with the new products, services and competitors' positioning. The following discussion and analysis should be interpreted in line with our other statements included herein and the notes thereto.

**ACTIVITIES DURING THE FINANCIAL YEAR UNDER REVIEW**

The Company Significant player is becoming a fully integrated company. CURA Global GRC solutions pte Ltd, a global operation risk management solution provider, CURA has an interesting track record of serving more than 50 fortune 175 clients with a total customer base in excess of 250 worldwide and operation spanned across US, UK, Australia and South Africa. The company was suitable in all respects of having a strong product, with wide customer base, an experienced management team and operating in multiple geographies. This marks the shift in focus, as mentioned during our last discussion, from a services based company to a product based company.

**CURRENT INDUSTRY TRENDS**

Global economic meltdown has taken a toll on technology spending worldwide. Corporations have adopted multiple ways to reduce costs and stay afloat. The receding recessionary trends in the last one year have given some organization headroom to relook at technology adoption to build processes that not only identify risks but also mitigate them. Similarly, increasing compliance requirements for public corporations has started to put pressure on corporations to build and make the processes transparent. We would also see some operating policies, procedures and processes mandated to create transparency to all stake holders. We are also seeing an increase in number of operational processes being automated which is increasing the robustness of the product. Compliance and risks are specific to geographies and therefore products in the market place are also turning from being generic to a combination of vertical and geography specific. While spending on technology is on the rise, corporations are judicious in selecting products which brings a hope with a caution. Industry has been dominated with small players till the recent past and consolidation started to take place. Large IT players have acquired small GRC companies and are looking to deploy resources to enhance the product and build the presence in the space. This indicates that the market is gearing up for larger and specialized deployments and competitions would strengthen in the short to medium term. Various government and industry and forums are evolving promoting the importance of risk and compliance and are working closely with all the industry stakeholders to evolve standards in assessment and mitigation. While the industry preparing itself for the next big leap in the next couple of years, is also cautioning on being judicious in planning and developing products that address the immediate needs of the customers.

**COMPANY'S PLANS**

Taking industry trends in consideration and assessing the internal strengths of the company we have set out an agenda for the current financial year to focus on the following:

- a) Enhancing the product features and drawing up a product road map for the medium term;
- b) Increasing the management bandwidth by building leadership layers to build a long term sustainable growth plan;
- c) Strengthening domain expertise to widen our offering to multiple industries;
- d) Internal organization to create flexibilities in addressing the customer needs faster and better;
- e) Constantly looking for opportunities to strengthen our position in the market place;
- f) While we focus on enhancing our customer base we also focus on the existing customer base for opportunities to broaden our offering and maintain continuity in serving them;
- g) Since the acquisition atmosphere is settled we also plan to strengthen the company operationally and financially.

**OPPORTUNITIES AND OUTLOOK**

Cost effective base and skilled work force provide excellent opportunities for Indian Companies in general and for CURA in particular. The opportunity is being capitalized by growing outsourcing and number of products going off parent. Over the years, CURA institutionalized competencies that make it a preferred partner for a number of

companies. This could lead to enhanced value creating opportunities in software world through a better leverage of existing relationships and research capabilities.

#### **RISK AND CONCERNS:**

Some of the risks and concerns inherent to technology business which CURA may face are as follows

- a) Prolonged financial crisis, that can prolong shyness in Technology expenditure
- b) Cost cutting measures on corporate scale
- c) Cheaper alternative to achieve efficiencies
- d) Inherent lateral integration and subsequent competitive environment

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

We have adequate control procedures in place. The controls ensure optimum use and protection of data, resources and comply with policies, procedures and statutes. The internal audit is conducted to examine and evaluate the adequacy and effectiveness of the internal control systems, appraises periodically about activities and audit findings to the audit committee, statutory auditors and top management.

#### **SEGMENT-WISE PERFORMANCE**

The necessary details are given as part of the notes to the financial statements.

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The strength of a company lies in its Human Resources and your company is no exception to this universal rule. Your company continuously focuses on recruiting the best talent and also retaining and motivating the talent with them. Further improvements in the work environment and other related areas would be made through a process and metric-oriented approach. Industrial relations of the company remained cordial and peaceful through the year.

#### **Annexure**

#### **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 arms length transaction under third proviso thereto.

| Sl. No. | Name of the related party                      | Nature of contract | Nature of relationship          | Salient features            | Amount       |
|---------|--|--------------------|---------------------------------|-----------------------------|--------------|
| 1.      | G. Bala Reddy                                  | -                  | Key Management Person           | -                           | -            |
| 2.      | G. Venkateswara Rao (Up to 12th November 2015) | -                  | Key Management Person           | -                           | -            |
| 3.      | Softpro Technologies Private Limited           | -                  | Subsidiary Company              | -                           | -            |
| 4.      | Cura Global GRC Solutions Pte Limited          | -                  | Wholly Owned Subsidiary Company | Sales                       | 6,33,33,329  |
| 5.      | Cura Global GRC Solutions Pte Limited          | -                  | Wholly Owned Subsidiary Company | Advances to Subsidiaries    | 44,99,12,638 |
| 6.      | Cura Global GRC Solutions Pte Limited          | -                  | Wholly Owned Subsidiary Company | Receivable                  | 21,78,63,922 |
| 7.      | ICSA (INDIA) Limited                           | -                  | Associate Company               | Other advances              | 2,09,916     |
| 8.      | ICSA (INDIA) Limited                           | -                  | Associate Company               | Advances to Related Parties | 6,01,94,821  |
| 9.      | Sahasra Investments Pvt Ltd                    | -                  | Associate Company               | Other advances              | 20,50,000    |

## CORPORATE GOVERNANCE REPORT

\*\*Corporate Governance is not applicable to the company as its paid up-equity capital and net worth does not exceed Rs. 10 crores and Rs. 25 crores respectively. However, the company voluntarily complies with Corporate Governance as a good governance measure to keep the stakeholders informed about the company.

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Cura Technologies Limited as follows:

### Company's Philosophy on Corporate Governance:

The Company believes that Corporate Governance is a set of processes, customs, policies, rules, regulation and laws for ensuring transparency, professionalism and accountability in its dealings with its customers, principal, employees, shareholders and with every individual who comes in contact with the Company. The Company is in full compliance with the requirements of Corporate Governance under SEBI(LODR)Regulations, 2015 and in this regard, submits a report on the matters mentioned in the said clause and also the practices followed by the Company as stated below:

### Board of Directors:

The Board of Directors, as on 31.03.2016, comprised 1 Executive Directors, 1 Non-Executive & Independent Directors. 1 Non-Executive & Independent women Director. The composition of the Board is in conformity with the provisions of the SEBI (LODR) Regulations, 2015.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website.

The company has formulated a policy to familiarize the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes. The details of such familiarization programmes are disclosed on the website of the company [www.terasoftware.com](http://www.terasoftware.com).

The Board of Directors met Six (6) times during the financial year on 17.04.2015, 30.05.2015, 14.08.2015, 26.08.2015, 13.11.2015 and 13.02.2016 and the maximum gap between any two meetings was less than four months, as stipulated under SEBI (LODR) Regulations, 2015.

The meetings of the Board are governed by a structured agenda. The Board members in consultation with the Chairman may bring up other matters for consideration at the Board meetings.

Necessary information as required under the statute and as per the guidelines on Corporate Governance are placed before and reviewed by the Board from time to time.

The names and categories of the directors on the Board, their attendance at Board meetings held during the year and the number of directorships and committee memberships held by them in other companies is given below.

| Name of the Director   | Category                  | Designation                  | Attendance Particulars |                         |          | No. of other Director-ships# | Committee member-ships## | Chairman-ship in Committees ## |
|------------------------|---------------------------|------------------------------|------------------------|-------------------------|----------|------------------------------|--------------------------|--------------------------------|
|                        |                           |                              | Board Meetings Held    | Board Meetings Attended | Last AGM |                              |                          |                                |
| BALA REDDY GOPU        | Promoter Executive        | Chairman & Managing Director | 06                     | 06                      | yes      | 05                           | -                        | -                              |
| VENKATA REDDY NALABOLU | Non-Executive Independent | Director                     | 06                     | 06                      | yes      | 01                           | 3                        | 3                              |
| LALITHA GUDIMETLA      | Non-Executive Independent | Women Director               | 06                     | 06                      | NO       | 01                           | 3                        | -                              |
| A.V.N REDDY*           | Non-Executive Independent | Director                     | 06                     | 06                      | yes      | 05                           | 3                        |                                |
| G VENKATESHWARA RAO**  | Executive Director        | Director                     | 06                     | 06                      | Yes      | 3                            | 1                        |                                |

#Excludes directorships in Indian private limited companies, foreign companies, companies under Section 8 of the Companies Act, 2013 and Alternate Directorships.

##Membership/ Chairmanship in Audit and Stakeholders Relationship Committees of public limited companies (including Cura Technologies Ltd.) have been considered.

\*Resigned w.e.f 13.02.2016

\*\*Resigned w.e.f 17.11.2015

## CODE OF CONDUCT

The Board of Directors of the Company laid a Code of Conduct for Directors and senior management personnel. The Code of Conduct is posted on the Company's web-site [www.curatechnologies.co.in](http://www.curatechnologies.co.in). All Directors and designated personnel in the senior management affirmed compliance with the Code for the year under review. The declaration to this effect furnished by Shri G. Bala Reddy, Chairman & Managing Director is annexed to this report.

## BOARD AND DIRECTOR EVALUATION AND CRITERIA FOR EVALUATION

Pursuant to the provisions of the Act and the SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance, as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees respectively. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors. The Chairman of the Board of Directors and the Chairman of Nomination & Remuneration Committee met all the Directors individually to get an overview of the functioning of the Board and its constituents inter alia on the following broad criteria i.e. attendance and level of participation, independence of judgment exercised by Independent Directors, interpersonal relationship etc.

Based on the valuable inputs received from the Directors, an action plan has been drawn up to encourage greater engagement of the Independent Directors with the Company.

## BOARD COMMITTEES:

The Meetings of each of the Committees are convened by the respective Chairman of the Committees, who also inform the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the respective Board / Committee Meetings.

The Company has Board level Committees, namely Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Share Transfer Committee.

The constitution, terms of reference and the functioning of the existing Committees of the Board is explained herein

## AUDIT COMMITTEE:

The audit committee was reconstituted in accordance with the provisions of Companies Act, 2013 and clause 18 of SEBI (LODR) Regulations, 2015. The terms of reference of the Audit Committee, inter alia, are as follows:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Review with the management the quarterly and annual financial statements and the auditor's report thereon, before submission to the Board for approval.
- Discuss with the statutory auditors, before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Review with the management, performance of the statutory and internal auditors.
- Review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems.

- Evaluate internal financial controls and risk management systems.
- Scrutinize inter-corporate loans and investments.
- Discuss any significant findings with internal auditors and follow-up thereon.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Approve transactions, including any subsequent modifications, of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Review and monitor the statement of use and application of funds raised through public offers and related matters.
- Review the functioning of the Whistle Blower mechanism.
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.

During the year under review, the Committee met 4 times on 30.05.2015, 14.08.2015, 13.11.2015 and 13.02.2016 respectively.

Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2015-16 are given below:

| Name                   | Status   | Category | No of Meetings Attended during the year 2015-16 |
|------------------------|----------|----------|---|
| VENKATA REDDY NALABOLU | Chairman | NED(I)   | 04  |
| LALITHA GUDIMETLA      | Member   | NED(I)   | 04  |
| DR. T SRINIVASA RAO    | Member   | NED(I)   | Nil   |

NED (I) : Non Executive Independent Director

NED (NI) : Non Executive Non Independent Director

Mr. AVN Reddy has resigned on 13.02.2016 hence Audit Committee has been reconstituted, appointment of Dr. T Srinivasa Rao as member of the committee.

#### STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee comprises three Members of which 3 Member is an Independent Director. The Committee is governed by a Charter.

The terms of reference of the Committee are:

- to approve Transfer/Transmission of shares
- issue of Duplicate Share Certificates.
- Review of Share dematerialization and rematerialization.
- Monitoring the expeditious Redressal of Investor Grievances.
- Monitoring the performance of company's Registrar & Transfer Agent.
- All other matters related to the shares.

The details of composition of the Committee are as under:

| Name                   | Status   | Category |
|------------------------|----------|----------|
| VENKATA REDDY NALABOLU | Chairman | NED(I)   |
| LALITHA GUDIMETLA      | Member   | NED(I)   |
| DR. T SRINIVASA RAO    | Member   | NED(I)   |

NED (I) : Non Executive Independent Director

NED (NI) : Non Executive Non Independent Director

Mr. AVN Reddy has resigned on 13.02.2016 hence Audit Committee has been reconstituted, appointment of Dr. T Srinivasa Rao as member of the committee.

During the year under review, 5 complaints of general nature (non-receipt of annual reports/ dividend warrants, Change of address, /Bank details and others etc.,) were received from the shareholders were attended promptly and replied/resolved to the satisfaction of the concerned shareholders. There were no pending complaints at the close of the financial year. The Company designated a separate email id for investor grievances viz:.

#### Compliance Officer Name and Address:

Ms. D. Alima, Company Secretary,  
Cura Technologies Limited  
Plot No.12, Software Units Layout, Cyberabad Hyderabad TG 500081, INDIA.  
E-mail:

#### NOMINATION AND REMUNERATION COMMITTEE:

Nomination and Remuneration Committee three Members of which 3 Member is an Independent Director. The Committee is governed by a Charter.

The terms of reference of the committee are as follows:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Devising a policy on Board diversity.

The details of composition of the Committee are as under:

| Name                   | Status   | Category |
|------------------------|----------|----------|
| VENKATA REDDY NALABOLU | Chairman | NED(I)   |
| LALITHA GUDIMETLA      | Member   | NED(I)   |
| DR. T SRINIVASA RAO    | Member   | NED(I)   |

Mr. AVN Reddy has resigned on 13.02.2016 hence Audit Committee has been reconstituted, appointment of Dr. T Srinivasa Rao as member of the committee.

#### REMUNERATION POLICY

Details of remuneration paid to the Executive Directors for the year: N.A

Details of sitting fee paid to the Non-Executive & Independent Directors for the year: N.A

#### SHARE TRANSFER COMMITTEE:

The Share Transfer Committee was constituted comprising:

No meeting of this Committee was held during the financial year i.e. 2015-16.

#### GENERAL BODY MEETINGS:

The date, time and venue of the Annual General Body Meetings held during the preceding three years and the special Resolution (s) passed thereat are as follows:

| Year    | AGM | Location   | Date                 | TIME     | SPECIAL RESOLUTION PASSED                                 |
|---------|-----|--|----------------------|----------|---|
| 2012-13 | AGM | The conference Hall, 5th Floor, Plot No 12, Software Units Layout, Cyberabad, Hyderabad-500081 | September 30th, 2013 | 10.00 AM | Authorization to Divest the Shares of Subsidiary Company. |
| 2013-14 | AGM | The conference Hall, 5th Floor, Plot No 12, Software Units Layout, Cyberabad, Hyderabad-500081 | September 30th, 2014 | 10.00 AM | 01  |
| 2014-15 | AGM | The conference Hall, 5th Floor, Plot No 12, Software Units Layout, Cyberabad, Hyderabad-500081 | September 30th, 2015 | 10.00 AM | Nil   |

All the special resolutions were passed with requisite majority by e-voting & poll.

**DISCLOSURES:****CERTIFICATION:**

The Managing Director and Executive Director has given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

**RELATED PARTY TRANSACTIONS:**

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large:

Transactions with related parties were disclosed in the Notes to Accounts in the Annual Report.

**COMPLIANCE WITH THE GOVERNANCE FRAMEWORK**

The Company is in compliance with all mandatory requirements of Clause 49 of the Listing Agreement. In addition, the Company has also adopted the non-mandatory requirements of constitution of the Remuneration Committee and establishing of Whistle Blower mechanism

**DETAILS OF NON COMPLIANCE AND PENALTIES:**

There was no non-compliance by the Company during the last 3 years on any matter relating to capital markets and there were no penalties, strictures imposed on the Company by stock Exchange or SEBI or any statutory authority.

**MEANS OF COMMUNICATION:**

Quarterly results and Annual Results of the Company are normally published in Telugu & English Newspaper. Further all material information which will have some bearing on the operation of the Company is sent to stock exchanges concerned.

Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:

Your Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant section of this Report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required by Clause 49 of the Listing Agreement, Management Discussion and Analysis report is a part of the Annual Report.

**GENERAL SHAREHOLDER INFORMATION:**

|     |   |   |
|-----|---|---|
| i   | Annual General Meeting (Day, Date, Time and Venue): | 30.12.2016 at 10.00 AM at Registered Office of the Company at 5th Floor, Conference Hall, Plot No.12, Software Units Layout Cyberabad, Hyderabad – 500 081              |
| ii  | Financial Year:                                     | April 1st to March 31st the results of every quarter beginning from April are declared within the time specified under the provisions of SEBI (LODR) Regulations, 2015. |
| iii | Date of Book Closure:                               | 23rd December, 2016 to 30th December, 2016 (both days inclusive).   |
| iv  | Listing on stock exchanges:                         | BSE Limited (Bombay Stock Exchange) and NSE Limited (National Stock Exchange)<br>Annual listing fee for the year 2016-17 has been paid by the Company to BSE and NSE    |
| v   | Stock codes:  | BSE : 532332<br>NSE : CURATECH  |
| vi  | Company's ISIN:                                     | INE117B01012  |

**MARKET PRICE DATA**

The monthly high and low stock quotations during the last financial year in Bombay Stock Exchange Limited are given below:

| Month          | Bombay Stock Exchange Limited |                   |
|----------------|-------------------------------|-------------------|
|                | Month's High Price            | Month's Low Price |
| April 2015     | 10.95                         | 7.60              |
| May 2015       | 9.30                          | 7.60              |
| June 2015      | 12.19                         | 6.60              |
| July 2015      | 14.66                         | 8.70              |
| August 2015    | 12.69                         | 10.89             |
| September 2015 | 12.23                         | 7.69              |
| October 2015   | 9.59                          | 8.24              |
| November 2015  | 9.00                          | 8.02              |
| December 2015  | 10.19                         | 8.50              |
| January 2016   | 9.20                          | 6.40              |
| February 2016  | 6.41                          | 5.30              |
| March 2016     | 6.44                          | 4.09              |

**REGISTRARS AND TRANSFER AGENTS**

Venture Capital and Corporate Investments Private Limited  
12-10-167, Bharatnagar, Hyderabad – 500 018  
Phone: 040 - 23818475, Fax: 040 - 23868024  
E-mail: info@vccilindia.com

**SHARE TRANSFER SYSTEM:**

All the physical share transfers received are processed by the Share Transfer agents, M/s. Venture Capital and Corporate Investments Private Limited. The Company's shares are being traded in compulsory De-mat form. The Company has already entered into agreement with both the depositories i.e. NSDL and CDSL, for dematerialization of shares, which enables the shareholders to hold and transfer shares in electronic form.

**SEBI COMPLAINT REDRESSAL SYSTEM (SCORES):**

SEBI has initiated SCORES for processing Investor Complaints in a centralized Web based Redress System and online Redressal of all the Shareholders Complaints. The company is the Compliance with the SCORE and redressed the shareholder complaints well within the stipulated time.

**SHAREHOLDING PATTERN AS ON 31ST MARCH, 2016:**

| S. No | Category   | No. of Shares    | % of Shareholding |
|-------|--|------------------|-------------------|
| 1     | Indian Promoters   | 3470284          | 36.32             |
| 3     | Mutual Funds & UTI   | --               | --                |
| 4     | Banks, Financial Institutions, Insurance Companies(Central/State Govt. Institutions/Non-Govt. Institution) | 63452            | 0.66              |
| 5     | Foreign Institutional Investors  | --               | --                |
| 6     | Private Corporate Bodies   | 683070           | 7.15              |
| 7     | Indian Public  | 5074457          | 53.01             |
| 8     | NRI's/OCB's  | 263737           | 2.8               |
|       | <b>TOTAL</b>   | <b>95,55,000</b> | <b>100.00</b>     |

**DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2016**

| S. No | Category<br>From ₹ - To ₹ | No. of<br>Holders | % of<br>Holders | No. of<br>Shares | % of<br>Shares |
|-------|---------------------------|-------------------|-----------------|------------------|----------------|
| 1     | Upto - 500                | 2532              | 82.69           | 289845           | 3.03           |
| 2     | 501 - 1000                | 171               | 5.58            | 140670           | 1.47           |
| 3     | 1001 - 2000               | 101               | 3.3             | 155232           | 1.62           |
| 4     | 2001 - 3000               | 66                | 2.16            | 168754           | 1.77           |
| 5     | 3001 - 4000               | 26                | 0.85            | 89410            | 0.94           |
| 6     | 4001 - 5000               | 27                | 0.88            | 125751           | 1.32           |
| 7     | 5001 - 10000              | 63                | 2.06            | 465675           | 4.87           |
| 8     | 10001 and above           | 76                | 2.48            | 8119663          | 84.98          |
| TOTAL |                           | 3062              | 100             | 9555000          | 100            |

**Dematerialization of shares and liquidity:**

The Company's shares are traded compulsorily in de-materialized form. In this connection, the Company has already entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's ID is INE117B01012.

The members are requested to dematerialize their physical holding in view of various advantages of holding the shares in dematerialized form. The details of the dematerialization of the company's shares with NSDL and CDSL and shares held in physical form are as under as on 31.03.2016:

| Category | No. of Shares | %     |
|----------|---------------|-------|
| NSDL     | 7537364       | 78.88 |
| CDSL     | 1957988       | 20.49 |
| PHYSICAL | 59648         | 0.62  |
| TOTAL    | 9555000       | 100   |

Outstanding GDR'S/ ADR'S/ Warrants or any Convertible instruments, conversion date and likely impact on equity: Nil

The Company has not issued GDR's/ADR's.

The Company has Nil FCWs outstanding as on 31.03.2016

Address for correspondence:

Venture Capital and Corporate Investments Private Limited

12-10-167, Bharatnagar, Hyderabad – 500 018

Phone: 040 - 23818475, Fax: 040 - 23868024

E-mail: info@vccilindia.com

**DECLARATION OF THE MANAGING DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT AND ETHICS:**

Cura Technologies Limited has adopted a Code of Business Conduct and Ethics ("the Code") which applied to all employees and Director of the Company. Under code, it is responsibility of all employees and Directors to familiarize themselves with the Code and Comply with its standards.

I, hereby certify that the Board Members and senior management personnel of Cura Technologies Limited have affirmed compliance with the Code for the Financial Year 2015-16.

Sd/-

**BALA REDDY G**  
CHAIRMAN & MANAGING DIRECTOR

**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2016 of CURA TECHNOLOGIES LIMITED [Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

|     |   |   |
|-----|---|---|
| i   | CIN   | L72200TG1991PLC013479   |
| ii  | Registration Date   | 20/11/1991  |
| iii | Name of the Company   | CURA TECHNOLOGIES LIMITED   |
| iv  | Category/Sub-Category of the Company                                      | Company having share capital  |
| v   | Address of the Registered office and contact details                      | PLOT No. 12, SOFTWARE UNITS LAYOUT, CYBERABAD, HYDERABAD TG 500081 INDIA.<br>Telephone: 040-23111793,<br>Fax: 040-23100385<br>E-mail: secretarial@curasoftware.com<br>Website: www.curatechnologies.co.in |
| vi  | Whether listed company Yes/No   | Yes- BSE Limited<br>And NSE Limited   |
| vii | Name, Address and Contact details of Registrar and Transfer Agent, if any | Venture Capital and Corporate Investments Private Limited<br>12-10-167, Bharatnagar<br>Hyderabad -500018  |

**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:-

| Sl.No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|---|----------------------------------|------------------------------------|
| 1      | IT & Software Products services                 | 6201                             | 100%                               |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

| S. No. | Name and Address of the company                           | CIN/GLN               | Holding / Subsidiary / Associate                 | % of shares held |
|--------|---|-----------------------|--|------------------|
| 1      | CURA Global GRC Solutions Pte Ltd, Singapore              | 200903400W            | Subsidiary to CURA, India                        | 100 %            |
| 2      | CURA Risk Management Software (PTY) Limited, South Africa | 2001/008002/07        | Step down subsidiary to CURA, Singapore          | 100 %            |
| 3      | CURA Software Solutions UK Limited, UK                    | 06322688              | Step down subsidiary to CURA, South Africa       | 100 %            |
| 4      | CURA Software Solutions Company, USA                      | 86-1141286            | Step down subsidiary to CURA, South Africa       | 100 %            |
| 5      | CURA Risk Management Software (PTY) Limited, Australia    | ABN 93107795415       | Step down subsidiary to CURA, South Africa       | 100 %            |
| 6      | Softpro Technologies Private Limited                      | L72200AP1991PLC013479 | 932820 Equity Shares of Rs. 10/- each fully paid | 93.28 %          |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

| Category of Shareholders  | No. of Shares held at the beginning of the year |          |         |                   | No. of Shares held at the end of the year |          |         |                   | % Change during the year |
|---|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
|   | Demat   | Physical | Total   | % of Total Shares | Demat                                     | Physical | Total   | % of Total Shares |                          |
| A. Promoters  |   |          |         |                   |   |          |         |                   |                          |
| 1) Indian   |   |          |         |                   |   |          |         |                   |                          |
| a) Individual/HUF   | 3777251   | --       | 3777251 | 39.53             | 424253                                    | --       | 424253  | 4.44              | 35.09                    |
| b) Central Govt.  | --  | --       | --      | --                | --  | --       | --      | --                |                          |
| c) State Govt.(s)   | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| d) Bodies Corp  |   |          |         |                   | 3046031                                   | --       | 3046031 | 31.88             |                          |
| e) Banks / FI   | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| f) Any Other  | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| Sub-total(A)(1):-   | 3777251   | --       | 3777251 | 39.53             | 3470284                                   | --       | 3470284 | 36.32             | 3.21                     |
| 2) Foreign  |   |          |         |                   |   |          |         |                   |                          |
| a) NRIs-Individuals   | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| b)Other-Individuals   | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| c)Bodies Corp.  | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| d) Banks / FI   | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| f)Any Other....   | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| Sub-total(A)(2):-   | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| Total shareholding of Promoter (A)= (A)(1)+(A)(2)                                 | 3777251   | --       | 3777251 | 39.53             | 3470284                                   | --       | 3470284 | 36.32             | 3.21                     |
| B. Public Shareholding  |   |          |         |                   |   |          |         |                   |                          |
| 1) Institutions   |   |          |         |                   |   |          |         |                   |                          |
| a) Mutual Funds   | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| b) Banks / FI   | 63452   | --       | 63452   | 0.66              | 63452                                     | --       | 63452   | 0.66              | --                       |
| c) Central Govt.  | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| d) State Govt.(s)   | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| e)Venture Capital Funds   | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| f)Insurance Companies   | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| g) FIIs   | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| h) Foreign Venture Capital Funds  | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| i) Others (specify)   | --  | --       | --      | --                | --  | --       | --      | --                | --                       |
| Sub-total(B)(1)   | 63452   | --       | 63452   | 0.66              | 63452                                     | --       | 63452   | 0.66              | --                       |
| 2. Non Institutions   |   |          |         |                   |   |          |         |                   |                          |
| Bodies Corp.  |   |          |         |                   |   |          |         |                   |                          |
| (i) Indian  | 979473  | 2800     | 982273  | 10.28             | 680270                                    | 2800     | 683070  | 7.15              | 3.13                     |
| (ii) Overseas   | -   | -        | -       | -                 | -   | -        | -       | -                 | -                        |
| Individuals   |   |          |         |                   |   |          |         |                   |                          |
| (i) Individual shareholders holding nominal share capital uptoRs. 1 lakh          | 1190164   | 57648    | 1247812 | 13.06             | 1650094                                   | 59848    | 1709942 | 17.89             | 4.83                     |
| (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 3313110   | --       | 3313110 | 34.68             | 3367515                                   | --       | 3367515 | 35.24             | 0.56                     |
| Others (Specify) Clearing member NRIs   | 89138   |          | 89138   | 0.93              | 181273                                    | --       | 181273  | 1.90              | 0.97                     |
| Trusts  | 81964   | --       | 81964   | 0.86              | 82464                                     | --       | 82464   | 0.86              | --                       |

|   |         |       |         |       |         |       |         |       |      |
|---|---------|-------|---------|-------|---------|-------|---------|-------|------|
| Sub-total(B)(2)                             | 5653849 | --    | 5714297 | 59.81 | 5961616 | 59648 | 6024064 | 63.05 | 3.24 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 5717301 | --    | 5777749 | 60.47 | 6025068 | 59648 | 6084716 | 63.71 | 3.24 |
| C. Shares held by Custodian for GDRs & ADRs | --      | --    | --      | --    | --      | --    | --      | --    | --   |
| Grand Total (A+B+C)                         | 9494552 | 60448 | 9555000 | 100   | 9495352 | 59648 | 9555000 | 100   |      |

**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 shareholding during the year |
| 1       | GOPU VELANGINI MARY | 221644                                    | 2.32                             | --  | 221644                              | 2.32                             | --  | --                                       |
| 2       | GOPU BALA REDDY     | 202609                                    | 2.12                             | --  | 202609                              | 2.12                             | 200000  | 0.028                                    |
|         | Total               | 424253                                    | 4.44                             | --  | 424253                              | 4.44                             | 200000  | 0.028                                    |

**(iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year |                                  | Change in Shareholding |          | Shareholding at the end of the year |                                  |
|---------|-------------------------------------|---|----------------------------------|------------------------|----------|-------------------------------------|----------------------------------|
|         |                                     | No. of shares                             | % of total shares of the company | Increase               | Decrease | No. of Shares                       | % of total shares of the Company |
| 1       | MOHAN PRAKASH REDDY GOPU            | 305969                                    | 3.20                             | --                     | --       | 305969                              | 3.20                             |
| 2       | VIKRAM REDDY G                      | 300000                                    | 3.13                             | --                     | --       | 300000                              | 3.13                             |
| 3       | PRAKASH PRADEEP G                   | 300000                                    | 3.13                             | --                     | --       | 300000                              | 3.13                             |
| 4       | GUDIPUDI VEERAMATHA                 | 284653                                    | 2.97                             | --                     | --       | 284653                              | 2.97                             |
| 5       | SANGEETHA S                         | 222490                                    | 2.32                             | --                     | --       | 222490                              | 2.32                             |
| 6       | RAMA DEVI AKIRI                     | 197245                                    | 2.06                             | --                     | --       | 197245                              | 2.06                             |
| 7       | GOPU SLEEVA REDDY                   | 156040                                    | 1.63                             | --                     | --       | 156040                              | 1.63                             |
| 8       | T MARY KALPANA                      | 105000                                    | 1.09                             | --                     | --       | 105000                              | 1.09                             |
| 9       | KADAYAM RAMNATHAN BHARAT            | 104001                                    | 1.08                             | --                     | --       | 104001                              | 1.08                             |
| 10      | VATTI CHINNA REDDY                  | 101815                                    | 1.06                             | --                     | --       | 101815                              | 1.06                             |

**(iv) Shareholding of Directors and Key Managerial Personnel:**

| Sl. No.                         | For Each of the Directors and KMP               | 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 |
| Share Holding of KMP            |   |   |                                  |   |                                  |
| 1                               | BALA REDDY GOPU<br>Chairman & Managing Director | 202609                                    | 2.12                             | 2609                                    | 0.027                            |
| 2                               |   | -   | -                                | -                                       | -                                |
| Shareholding of Other Directors |   |   |                                  |   |                                  |
| 1                               | VENKATA REDDY NALABOLU                          | Nil                                       | -                                | -                                       | -                                |
| 2                               | LALITHA GUDIMETLA                               | Nil                                       | -                                | -                                       | -                                |

**V. INDEBTEDNESS**

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

|  | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                    |          |                       |
| i) Principal Amount  | 54,00,32,724                        | NIL                | -        | 54,00,32,724          |
| ii) Interest due but not paid                              | 7,74,39,897                         | NIL                | -        | 7,74,39,897           |
| iii) Interest accrued but not due                          |                                     | NIL                | -        |                       |
| Total(i+ii+iii)  | 54,00,32,724                        | NIL                | -        | 54,00,32,724          |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                    |          |                       |
| - Addition   | -                                   | NIL                | -        | -                     |
| - Reduction  | 19,08,748                           |                    |          | 19,08,748             |
| Net Change   | 53,81,23,976                        | NIL                | -        | 53,81,23,976          |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                    |          |                       |
| i) Principal Amount  | 53,81,23,976                        | NIL                | -        | 53,81,23,976          |
| ii) Interest due but not paid                              | 7,74,39,897                         | NIL                | -        | 7,74,39,897           |
| iii) Interest accrued but not due                          | -                                   | NIL                | -        | -                     |
| Total(i+ii+iii)  | 53,81,23,976                        |                    |          | 53,81,23,976          |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager :** (Amount in Rs.)

| Sl. No. | Particulars of Remuneration   | Name of MD/WTM/Manager   |        | Total Amount |
|---------|---|--|--------|--------------|
|         |   | BALA REDDY GOPU<br>Chairman & MD   | WTD    |              |
| 1       | Gross Salary  |  |        |              |
|         | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 |  |        |              |
|         | (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  | -  | -      | -            |
| 3       | Sweat Equity  | -  | -      | -            |
| 4       | Commission<br>- as % of profit<br>- others, specify...                              | -<br>-   | -<br>- | -<br>-       |
| 5       | Others, please specify  | -  | -      | -            |
|         | Total (A)   |  |        |              |
|         | Ceiling as per the Act  | Within the limits of Para-A, Section II, Part-II of Schedule V of the Companies Act, 2013. |        |              |

**B. Remuneration to other directors:****1. Independent Directors** (Amount in Rs.)

| Sl. No. | Particulars of Remuneration                 | Name of Directors | Total Amount |
|---------|---|-------------------|--------------|
| 1       | Fee for attending Board/ Committee Meetings | -                 | -            |
| 2       | Commission                                  | -                 | -            |
| 3       | Others, please specify                      | -                 | -            |
|         | <b>Total (B1)</b>                           |                   |              |

**2. Other Non-Executive/Promoter Directors**

| Sl. No. | Particulars of Remuneration                  | Name of Directors | Total Amount |
|---------|--|-------------------|--------------|
| 1       | Fee for attending Board / Committee Meetings | -                 | -            |
| 2       | Commission                                   | -                 | -            |
| 3       | Others, please specify                       | -                 | -            |
|         | <b>Total (B2)</b>                            |                   |              |

@ Total remuneration paid to the Vice Chairman and Managing Director and the Whole-time Director of the Company.

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

(Amount in Rs.)

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel |                   | Total |
|---------|---|--------------------------|-------------------|-------|
|         |   | CEO                      | Company Secretary |       |
| 1.      | Gross salary  |                          |                   |       |
|         | (a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961 |                          |                   |       |
|         | (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  | --                       | --                | --    |
| 3       | Sweat Equity  | --                       | --                | --    |
| 4       | Commission<br>- as % of profit<br>- others, specify...                              | --                       | --                | --    |
| 5       | Others, please specify  | --                       | --                | --    |
|         | Total   |                          |                   |       |

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

There were no Penalties, Punishment or Compounding of Offences during the F.Y. ended 31st March, 2016.

**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2016*****[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,  
Cura Technologies Limited  
Plot No. 12, Software Units Layout,  
Cyberabad Hyderabad TG 500081.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cura 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 my opinion thereon.

Based on our verification of the Cura Technologies Limited 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, 2016 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 Cura Technologies Limited ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; All the required disclosures from time to time as and when applicable were complied with.
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; The company has framed code of conduct for regulating and reporting trading by insiders and for fair disclosure, 2015.
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the company during the audit period)
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the company during the audit period)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the company during the audit period)
  - f. 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; Not Applicable
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the audit period).

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the company during the audit period).

The following other laws as specifically applicable in the view of the Management:

- a. Income tax Act, 1961
- b. The Payment of bonus Act, 1965
- c. Customs Act, 1962
- d. Finance Act, 1994 (Service Tax)
- e. Minimum Wages Act, 1948
- f. The Payment of Gratuity Act, 1972
- g. The Payment of Wages Act, 1936
- h. A.P Shops & Establishment Act, 1988

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

The Listing Agreements entered into by the Company with BSE (Bombay Stock Exchange) and NSE (National Stock Exchange);

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 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.

Majority of the decisions at Board Meeting and Committee Meeting are carried out unanimously are recorded in the minutes of the respective meeting.

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 hereby reporting that statutory audit of stand alone has done in in time and the same has been submitted to stock exchanges in in time, where as the consolidation of accounts audit not done in in time and not submitted to stock exchanges in time, it has been audited in the month of novemebr 2016.

The Audit Committee of the Company reviews the financial statement of the subsidiary companies. The Audit Committee also reviews investment made by subsidiary companies, minutes of their Board Meeting, and the statement of all significant transactions and arrangements entered into by the subsidiary companies. None of the Indian Subsidiary of the Company falls under the term 'material non-listed Indian Subsidiary' as defined under Clause 49 of the Listing Agreement.

The Company has 6 subsidiaries (including step down subsidiaries) as on 31st March 2016.

- a) CURA Global GRC Solutions Pte Ltd, Singapore.
- b) CURA Risk Management Software (PTY) Limited, South Africa.
- c) CURA Software Solutions UK Limited, UK.
- d) CURA Software Solutions Company, USA.
- e) CURA Risk Management Software (PTY) Limited, Australia.
- f) Softpro Technologies Private Limited.

The Consolidated Financial Statements represented by the Company includes the Audited Financial Information of its subsidiaries As per Section 129(3) of companies Act 2013 and any other applicable provisions of the Act (Corresponding to Section 212 of the Companies Act, 1956 to the extent applicable) the Company is required to attach the Directors' Report, Balance Sheet and Profit and Loss Account of the subsidiaries to the Annual Report. The

Ministry of Corporate Affairs, Government of India vide its circular No. 2/2011 dated 8th February 2011 has provided an exemption to companies from complying with Section 212 of Companies Act, 1956 provided such companies publish the audited consolidated financial statements in their annual report. Accordingly, the annual report 2015-16 does not contain the financial statements of the subsidiaries.

I further report that: the following are the brief events undertaken by Company during audit period:

During the period 2015-16, Five (6) Board meetings were held on 17.04.2016, 30.05.2015, 14.08.2015, 27.08.2015, 17.11.2015 and 13.02.2016.

During the period 2015-16, Four (4) Audit Committee meetings were held on 30th May, 2014, 14th August, 2014, 14th November, 2014 and 13th February, 2015.

The Financial Year 2015-16 was for a period of 12 months i.e., from 1st April 2015 to 31st March, 2016.

Sd/-

**K.CH. VENKAT REDDY**  
For **C. V. REDDY K & ASSOCIATES**  
COMPANY SECRETARIES  
FCS No.: 7976  
C P No.: 8998

Place: Hyderabad  
Date: 28.11.2016

**This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.**

**Annexure A'**

To,  
The Members,  
Cura Technologies Limited  
Plot No. 12, Software Units Layout  
Cyberabad Hyderabad TG 500081

Our report of even date is to be read along with this letter.

Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

**K.CH. VENKAT REDDY**  
For **C. V. REDDY K & ASSOCIATES**  
COMPANY SECRETARIES  
FCS No.: 7976  
C P No.: 8998

Place: Hyderabad  
Date: 28.11.2016

**SPECIMEN DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors

M/s Cura Technologies Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Date: 28.11.2016

Place: Hyderabad

Sd/-

**LALITHA GUDIMETLA**  
(Independent Director)

**ANNEXURE III****SPECIMEN DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors

M/s Cura Technologies Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Date: 28.11.2016

Place: Hyderabad

Sd/-

**VENKATA REDDY NALABOLU**  
(Independent Director)

**SPECIMEN DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors  
M/s Cura Technologies Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Sd/-

Date: 28.11.2016  
Place: Hyderabad

**TELUKUTLA SRINIVASA RAO**  
(Independent Director)

**CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of  
CURA TECHNOLOGIES LIMITED,  
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by Cura Technologies Limited ("the Company"), for the year ended on 31st March 2016, as stipulated in Clause 49 of the Listing Agreements of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreements.

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

Sd/-

**K.CH. VENKAT REDDY**  
For **C. V. REDDY K & ASSOCIATES**  
COMPANY SECRETARIES  
FCS No.: 7976  
C P No.: 8998

Place: Hyderabad  
Date: 28.11.2016

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
CURA TECHNOLOGIES LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **CURA TECHNOLOGIES LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under Section 143(11) of the Act.

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

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

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

### Opinion

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss and the 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at 31st March 2016 on its financial position in its financial statements as referred to in note 2.17 to the financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 2013 and the Rules made there under.

**For RAMBABU & Co.,**  
Chartered Accountants  
FRN: 002976S

**Ravi Rambabu**  
Partner  
M.No.018541

Place: Hyderabad  
Date: 31-05-2016

### **"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii) In respect of Inventories:
  - a) As explained to us the inventories have been physically verified during the year by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and nature of its business.
  - c) In our opinion and according to the information and explanations given to us the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

- iii) In respect of loans granted:
- Company has granted loan of Rs. 4499.13 Lakhs to parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
  - According to the information and explanations given to us, we are of the opinion, the terms and conditions on which loans granted by the company to such parties listed in the register maintained under section 189 of the companies act, 2013 are, Prima facie, prejudicial to the interest of the company.*
  - There is no overdue amount in-respect of loan granted to parties listed in the register maintained under section 301 of the Companies Act, 1956, the question of statement on the steps taken for recovery of the Principal, and overdue amount of more than one lakh does not arise.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi) We are informed and according to the information and explanations given to us, that the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the activities of the Company.
- vii) a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has not been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute, except the following:

| Name of the Statute  | Nature of the dues | Year to which the amount relates | Forum where dispute is pending | Amount (Rs.) | Deposit Amount (Rs.) | Unpaid Deposit Amount (Rs.) |
|----------------------|--------------------|----------------------------------|--------------------------------|--------------|----------------------|-----------------------------|
| APVAT, 2005          | Value Added Tax    | 2005-06                          | AP High Court                  | 10,58,047    | -                    | 10,58,047                   |
| APVAT, 2005          | Value Added Tax    | 2006-07                          | AP High Court                  | 13,58,171    | -                    | 13,58,171                   |
| APVAT, 2005          | Value Added Tax    | 2007-08                          | AP High Court                  | 17,60,163    | -                    | 17,60,163                   |
| Income Tax Act, 1961 | Income Tax         | 2011-12                          | CIT (Appeals)                  | 6,88,52,599  | -                    | 6,88,52,599                 |
| Total                |                    |                                  |                                | 7,30,28,980  | -                    | 7,30,28,980                 |

- c) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 2013 and the Rules made there under.
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not issued any debentures.
- ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For RAMBABU & Co.,**  
Chartered Accountants  
FRN: 002976S

**Ravi Rambabu**  
Partner  
M.No.018541

Place: Hyderabad  
Date: 31-05-2016

## **“Annexure B” to the Independent Auditor’s Report**

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

We have audited the internal financial controls over financial reporting of CURA TECHNOLOGIES LIMITED (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management responsible for establishing and maintaining internal financial controls base on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad  
Date: 31-05-2016

**For RAMBABU & Co.,**  
Chartered Accountants  
FRN: 002976S

**Ravi Rambabu**  
Partner  
M.No.018541

**Balance Sheet as at 31st March, 2016**

Amount in Rs.

| Particulars |                                 | Note      | As at<br>31 March 2016 | As at<br>31 March 2015 |
|-------------|---------------------------------|-----------|------------------------|------------------------|
| <b>I</b>    | <b>EQUITY &amp; LIABILITIES</b> |           |                        |                        |
| <b>1</b>    | <b>SHARE HOLDERS' FUND</b>      |           |                        |                        |
|             | Share Capital                   | 3         | 95,550,000             | 95,550,000             |
|             | Reserves & Surplus              | 4         | 414,040,331            | 415,600,269            |
|             |                                 |           | <b>509,590,331</b>     | <b>511,150,269</b>     |
| <b>2</b>    | <b>NON-CURRENT LIABILITIES</b>  |           |                        |                        |
| (a)         | Long Term Borrowings            | 5         | -                      | 274,778,946            |
| (b)         | Deferred Tax Liabilities        | 6         | 2,118,571              | 3,385,457              |
| (c)         | Other Long Term Liabilities     | 7         | 3,474,759              | 6,293,639              |
| (d)         | Long Term Provisions            | 8         | 1,300,234              | 1,326,108              |
|             |                                 |           | <b>6,893,564</b>       | <b>285,784,150</b>     |
| <b>3</b>    | <b>CURRENT LIABILITIES</b>      |           |                        |                        |
| (a)         | Trade Payables                  | 9         | 20,829,666             | 9,229,434              |
| (b)         | Other Current Liabilities       | 10        | 549,393,925            | 271,504,253            |
|             |                                 |           | <b>570,223,591</b>     | <b>280,733,686</b>     |
|             |                                 |           | <b>1,086,707,485</b>   | <b>1,077,668,106</b>   |
| <b>II</b>   | <b>ASSETS</b>                   |           |                        |                        |
|             | <b>NON CURRENT ASSETS</b>       |           |                        |                        |
| <b>1</b>    | <b>(a) Fixed Assets</b>         | <b>11</b> |                        |                        |
|             | Tangible Assets                 |           | 104,627,327            | 110,327,366            |
|             | Intangible Assets               |           | 1,696,182              | 3,191,082              |
|             | Capital Work-in-progress        | 2.27      | 81,233,757             | 80,753,156             |
|             |                                 |           | <b>187,557,267</b>     | <b>194,271,604</b>     |
| (b)         | Deferred Tax Asset              | 6         |                        |                        |
| (c)         | Non Current Investments         | 12        | 137,162,897            | 137,162,896            |
| (d)         | Long Term Loans & Advances      | 13        | 535,377,571            | 533,386,948            |
|             |                                 |           | <b>672,540,468</b>     | <b>670,549,844</b>     |
| <b>2</b>    | <b>CURRENT ASSETS</b>           |           |                        |                        |
| (a)         | Trade Receivables               | 14        | 217,917,719            | 204,762,082            |
| (b)         | Cash and Bank Balances          | 15        | 988,680                | 3,150,455              |
| (c)         | Short Terms Loans and Advances  | 16        | 294,721                | 222,500                |
| (d)         | Other Current Assets            | 17        | 7,408,629              | 4,711,620              |
|             |                                 |           | <b>226,609,751</b>     | <b>212,846,656</b>     |
|             |                                 |           | <b>1,086,707,485</b>   | <b>1,077,668,104</b>   |

See accompanying notes forming part of the financial statements 1 to 22

The accompanying notes are an integral part of financial statements

As per our report of even date attached

for **RAMBABU & Co.,**  
Chartered Accountants  
Firm Registration No.: 002976S

**RAVI RAMBABU**  
Partner  
Membership No: 018541  
Place: Hyderabad  
Date: 31.05.2016

for and on behalf of Board

**G. Balareddy**  
Director

**N. Venkata Reddy**  
Director

## Statement of Profit &amp; Loss for the year ended 31st March, 2016

Amount in Rs.

| Particulars   | Note    | for the year<br>ended<br>31st March<br>2016 | for the year<br>ended<br>31st March<br>2015 |
|---|---------|---|---|
| Revenue from operations   | 18      | 63,333,329                                  | 55,772,548                                  |
| Other Income  | 19      | 29,883,064                                  | 32,569,568                                  |
| Total Revenue   |         | 93,216,393                                  | 88,342,116                                  |
| <b>Expenses</b>   |         |   |   |
| Employee Benefit Expenses                                       | 20      | 44,517,530                                  | 39,588,927                                  |
| Finance Costs   | 21      | 4,857                                       | 14,855,061                                  |
| Depreciation & Amortisation expenses                            | 11      | 7,586,938                                   | 13,361,472                                  |
| Other expenses  | 22      | 43,933,893                                  | 267,172,830                                 |
| Total Expenses  |         | 96,043,218                                  | 334,978,290                                 |
| <b>PROFIT BEFORE TAX &amp; EXCEPTIONAL ITEMS</b>                |         | <b>(2,826,825)</b>                          | <b>(246,636,174)</b>                        |
| Tax Expenses  |         |   |   |
| Current Tax   |         | -   | -   |
| Deferred Tax  |         | (1,266,886)                                 | (1,312,058)                                 |
| <b>PROFIT AFTER TAX BEFORE EXCEPTIONAL ITEMS</b>                |         | <b>(1,559,939)</b>                          | <b>(245,324,116)</b>                        |
| Exceptional items   |         | -   | -   |
| <b>PROFIT AFTER TAX AND EXCEPTIONAL ITEMS</b>                   |         | <b>(1,559,939)</b>                          | <b>(245,324,116)</b>                        |
| <b>EARNINGS PER EQUITY SHARE</b>                                |         |   |   |
| Equity share of par value Rs.10/- each                          |         |   |   |
| <b>Earnings per share</b>                                       |         |   |   |
| Basic - Par value   |         | (0.16)                                      | (25.67)                                     |
| Diluted - Par value   |         | (0.16)                                      | (25.67)                                     |
| <b>Number of shares used in computing earning per share</b>     |         |   |   |
| Basic - Par value   |         | 9,555,000                                   | 9,555,000                                   |
| Diluted - Par value   |         | 9,555,000                                   | 9,555,000                                   |
| See accompanying notes forming part of the financial statements | 1 to 22 |   |   |

The accompanying notes are an integral part of financial statements

As per our report of even date attached

for **RAMBABU & Co.,**  
Chartered Accountants  
Firm Registration No.: 002976S

for and on behalf of Board

**RAVI RAMBABU**  
Partner  
Membership No: 018541

**G. Balareddy**  
Director

**N. Venkata Reddy**  
Director

Place: Hyderabad  
Date: 31.05.2016

**Cash Flow Statement for the year ended 31st March, 2016**

Amount in Rs.

| Particulars  | for the year<br>ended<br>31st March 2016 | for the year<br>ended<br>31st March 2015 |
|--|--|--|
| <b>Cash flow from operating activities</b>                             |  |  |
| Net Profit / (Loss) before extraordinary items and tax                 | (2,826,825)                              | (246,636,174)                            |
| <b>Adjustments for:</b>  |  |  |
| Depreciation and amortisation  | 7,586,938                                | 13,361,472                               |
| Foreign exchange loss/ (gain)  | -  | 26,709,516                               |
| Interest received  | (211,689)                                | (153,854)                                |
| Interest expenses  | 4,857                                    | 14,855,061                               |
| Accrued interest   |  |  |
| Operating profit / (loss) before working capital changes               | <u>4,553,281</u>                         | <u>(191,863,979)</u>                     |
| <b>Changes in working capital:</b>                                     |  |  |
| <i>Adjustments for (increase) / decrease in operating assets:</i>      |  |  |
| Trade receivables  | (13,155,638)                             | 3,170,237                                |
| Short-term loans and advances  | (72,221)                                 | 15,034,545                               |
| Long-term loans and advances   | (1,990,623)                              | 170,636,551                              |
| Other Current Assets   | (2,697,010)                              | 293,037                                  |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> |  |  |
| Trade payables   | 11,600,232                               | (20,356,183)                             |
| Other current liabilities  | 277,889,672                              | 11,223,083                               |
| Other Long term liabilities  | (2,818,880)                              | (12,929,281)                             |
| Long-term provisions   | (25,874)                                 | 205,291                                  |
|  | <u>268,729,659</u>                       | <u>167,277,279</u>                       |
| <b>Cash generated from operations</b>                                  | <u>273,282,940</u>                       | <u>(24,586,700)</u>                      |
| Net income tax (paid) / refunds  | -  | -  |
| <b>Net cash flow from / (used in) operating activities (A)</b>         | <u>273,282,940</u>                       | <u>(24,586,700)</u>                      |
| <b>Cash flow from investing activities</b>                             |  |  |
| Additions to Fixed Assets  | (392,000)                                | (151,589)                                |
| Change in Capital Work in Progress                                     | (480,601)                                | (1,339,386)                              |
| <b>Net cash flow from / (used in) investing activities (B)</b>         | <u>(872,601)</u>                         | <u>(1,490,975)</u>                       |
| <b>Cash flow from financing activities</b>                             |  |  |
| Long Term Borrowings   | (274,778,946)                            | 42,041,857                               |
| Short-term loans and advances  | 211,689                                  | 153,854                                  |
| Long-term loans and advances   | (4,857)                                  | (14,855,061)                             |
| Dividends paid   | -  | 40,395                                   |
| <b>Net cash flow from / (used in) financing activities (C)</b>         | <u>(274,572,114)</u>                     | <u>27,381,045</u>                        |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>  | <u>(2,161,775)</u>                       | <u>1,303,370</u>                         |
| Cash and cash equivalents at the beginning of the year                 | 3,009,053                                | 1,705,683                                |
| <b>Cash and cash equivalents at the End of the year</b>                | <b>847,278</b>                           | <b>3,009,053</b>                         |

See accompanying notes forming part of the financial statements 1 to 22

As per our report of even date attached

for **RAMBABU & Co.,**  
Chartered Accountants  
Firm Registration No.: 002976S

**RAVI RAMBABU**  
Partner  
Membership No: 018541

Place: Hyderabad  
Date: 31.05.2016

for and on behalf of Board

**G. Balareddy**  
Director

**N. Venkata Reddy**  
Director

**NOTES FORMING PART OF FINANCIAL STATEMENTS****1. CORPORATE INFORMATION**

CURA Technologies Limited (CURA' or 'the Company'), having registered office at #12, Software Units Layout, Cyberabad, Hyderabad, Telangana – 500 081, with its presence in 7 geographies of the world is a global enterprise class software application provider for organizations to efficiently manage their Risk, Compliance and Audit framework through an automated process.

**2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES****2.1 Accounting Conventions:**

The financial statements have been prepared under the historical cost conventions in accordance with the generally accepted accounting principles in India including the Accounting Standards notified by the Government of India and issued by the Institute of Chartered Accountants of India, as applicable, and the provisions of the Companies Act as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

**2.2 Use of Estimates:**

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period like provision for employee benefits, provision for doubtful debts/advances/contingencies, allowances for slow/non moving inventories, useful lives of fixed assets, provision for taxation, etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

**2.3 Inventories:**

Inventories have been valued at lower of cost or net realizable value.

**2.4 Cash and Cash equivalents (for purposes of Cash Flow Statement):**

Cash comprises of cash on hand, amount in current accounts and deposit accounts.

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.5 Depreciation and Amortization:**

Depreciation on Fixed Assets including on the additions on account of revaluation has been provided on a straight-line method as per the useful lives specified in the Schedule II to the Companies Act, 2013.

Intangible assets are amortized over the estimated useful life:

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to effect the changed pattern.

**2.6 Revenue Recognition:**

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

Annual maintenance contracts and revenue from fixed maintenance contracts are recognized over the period in which the services are rendered.

Revenue from sale of user licenses for software applications is recognized on transfer of title in the user license.

**2.7 Expenditure:**

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

**2.8 Tangible Fixed Assets:**

Fixed Assets are stated at cost of acquisition as reduced by accumulated depreciation. All costs including financial costs up to the date of commissioning and attributable to the fixed assets are capitalized apart from taxes, freight and other incidental expenses related to the acquisition and installation of the respective fixed assets and excludes duties and taxes to the extent recoverable from tax authorities.

Fixed Assets which are revalued are stated at the amounts revalued as reduced by the depreciation.

**2.9 Intangible assets:**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

**2.10 Foreign Exchange Transactions:*****Initial Recognition***

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

***Measurement of foreign currency monetary items at the Balance Sheet date***

Foreign currency monetary items (other than derivative contracts) of the Company at the Balance Sheet date are restated at the year-end rates.

***Treatment of exchange differences***

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

**2.11 Investments**

Long term Investments are stated at cost. Provision, if any, is made for permanent diminution in the value of investments. Current investments are stated at lower of cost or market value.

**2.12 Employee Benefits:****a. Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and short term compensated absences etc. are recognized in the period in which the employee renders the related service.

**b. Long Term Employee Benefits****Defined Benefit Plans**

The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year by actuarial professionals using the Projected Unit Credit method. Actuarial gains / losses are immediately recognized in the Statement of Profit and Loss.

In respect of Provident Fund and Pension Fund, Contributions are made by the Company in accordance with the relevant rules and fully charged off to Statement of Profit and Loss.

The company provides for leave encashment based on valuations, as at the balance sheet date, made by independent actuaries.

**2.13 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**2.14 Taxes on Income**

Income tax liability for the year is calculated in accordance with the relevant tax laws and regulations applicable to the Company. Deferred tax is recognized on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**2.15 Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets. The recoverable amount of such assets is estimated. Where the carrying amount of the asset exceeds the recoverable amount, the impairment loss is recognized in the Statement of profit and loss.

**2.16 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**Notes on Accounts:**

2.17 The company has the following Contingent liabilities as on : (₹)

| Particulars   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| i) Bank Guarantee issued to Central Excise department | 249,991        | 249,991        |
| ii) Claim against the Company not acknowledge as debt | -              | -              |

iii) The Commercial Tax Officer, (FAC), Madhapur, vide Assessment order dated 27.04.2010 raised a demand towards Value Added Tax amounting to ₹ 4,176,381 (Details given below) on rent for furniture. The Company approached the High Court of Andhra Pradesh for stay and in turn the High Court of Andhra Pradesh has granted interim Stay for further proceedings with a condition that Company shall pay 12.5% of disputed tax. The Company paid an amount of ₹ 522,047 towards disputed Tax liability.

(₹)

| Particulars | March 31, 2016 | March 31, 2015 |
|-------------|----------------|----------------|
| 2005-2006   | 1,058,047      | 1,058,047      |
| 2006-2007   | 1,358,171      | 1,358,171      |
| 2007-2008   | 1,760,163      | 1,760,163      |
| Total       | 4,176,381      | 4,176,381      |

2.18 Estimated amount of contracts remaining to be executed on capital accounts not provided for ₹ NIL [Previous year ₹ NIL].

2.19 The Company granted 100,000 Options under ESOP 2008 to its employees @ ₹ 42 each (Including premium of ₹ 32 each) on 28-08-2008 and received ESOP 2008 application money of ₹ 1,000,000 on granting of 100,000 Options @ ₹ 10 each. The details of the outstanding options granted, expired and exercised are as follows:

| Particulars                              | Shares arising out of options | Range of exercise price |
|--|-------------------------------|-------------------------|
| Outstanding at the beginning of the year | 35,000                        | ₹ 42                    |
| Grants during the year                   | -                             | -                       |
| Expired/forfeited during the year        | -                             | -                       |
| Exercised during the year                | -                             | -                       |
| Outstanding at the end of the year       | 35,000                        | ₹ 42                    |
| Exercisable at the end of the year       | 35,000                        | ₹ 42                    |

2.20 Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006.

| Particulars   | As at<br>31 March 2016 | As at<br>31 March 2015 |
|---|------------------------|------------------------|
| a) Principal amount remaining unpaid and interest due thereon   | NIL                    | NIL                    |
| b) Interest paid in terms of Section 16                         | NIL                    | NIL                    |
| c) Interest due and payable for the period of delay in payments | NIL                    | NIL                    |
| d) Interest accrued and remaining unpaid                        | NIL                    | NIL                    |
| e) Interest due and payable even in succeeding years            | NIL                    | NIL                    |

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

2.21 Information regarding related party transactions as per Accounting Standard 18 is given below:

Names of Related Parties and description of Relationship:

| Party   | Relationship                    |
|---|---------------------------------|
| G.Bala Reddy                                  | Key Management Person           |
| G.Venkateswara Rao (Up to 12th November 2015) | Key Management Person           |
| Softpro Technologies Private Limited          | Subsidiary Company              |
| Cura Global GRC Solutions Pte Limited         | Wholly Owned Subsidiary Company |
| ICSA (INDIA) Limited                          | Associate Company               |
| Sahasra Investments Pvt Ltd                   | Associate Company               |

The Details of Related party transactions in terms of Accounting Standard (AS- 18 ) are as follows:

| Description                   | Subsidiaries | Associates  | KMP'S | Relatives of KMP's |
|-------------------------------|--------------|-------------|-------|--------------------|
| Sales                         | 6,33,33,329  | -           | -     | -                  |
|                               | 5,57,72,548  | -           | -     | -                  |
| Loans and Advances given      | 44,99,12,638 | 6,04,04,737 | -     | -                  |
|                               | 44,99,12,638 | 6,07,04,737 | -     | -                  |
| Balances Receivable/(Payable) | 21,78,63,922 | (20,50,000) | -     | -                  |
|                               | 20,46,74,427 | (20,50,000) | -     | -                  |

Note:- Amounts in Italics relating to previous year.

- 2.22 Provision for Gratuity is made for the employees on the basis of calculation by the company:Gratuity
- 2.23 Provision for Leave Encashment is made for the employees on the basis of calculation by the company:Leave Encashment
- 2.24. Quantitative details requirements regarding software and technical services are not applicable.
- 2.25 Balances of Sundry Debtors, Loans & Advances and Sundry Creditors are subject to confirmation from the concerned parties.
- 2.26. Segment Report as per Accounting Standard 17 for the Year ended 31st March 2016:

(Amounts in Lakhs)

| Particulars  | 31.03.2016<br>Audited | 31.03.2015<br>Audited |
|--|-----------------------|-----------------------|
| <b>Segement wise revenue, results and capital employed</b>       |                       |                       |
| <b>Segment wise revenue</b>                                      |                       |                       |
| a) Software Development  | 633.33                | 557.72                |
| b) Lease/Rental Income   | 291.54                | 314.46                |
| Total  | 924.87                | 872.18                |
| Less:- Inter segment Revenue                                     | -                     | -                     |
| Net Sales/Income from Operations                                 | 924.87                | 872.18                |
| <b>Segment Results - Profit / (Loss) before tax and interest</b> |                       |                       |
| a) Software Development  | (126.5)               | (2,243.8)             |
| b) Lease/Rental Income   | 145.22                | (85.3)                |
| Total  | 18.71                 | (2,329.1)             |
| c) other Income  | 7.29                  | 11.24                 |
| Less:- Interest  | 2.19                  | 148.55                |
| <b>Total Profit/(Loss) Before Tax</b>                            | 23.81                 | (2,466.36)            |
| <b>Capital Employed</b>  |                       |                       |
| a) Software Development  | 3,462.27              | 3,227.0               |
| b) Rental Income & Others  | 1,633.63              | 1,884.5               |
| Total  | 5,095.90              | 5,111.50              |

## 2.27 EVENTS OCCURRED AFTER BALANCE SHEET

- (i) During the Financial year 2016-17, Andhra Bank (Sultan Bazar Branch, Hyderabad) Term Loan of Rs.89,70,33,699/- (Excluding Current Year (FY 15-16) interest of Rs.5,98,79,879/-) which is secured by Land & buildings situated at Flat No.12, Software units layout, Cyberabad, Hyderabad-81 amounting to Rs.17,38,53,881/- (Net amount as at 31st March, 2016 of Rs.9,96,85,827/-) was settled under One Time Settlement for an Amount of Rs.50,00,00,000/-. The said settled Loan amount of Rs.50,00,00,000/- was paid by realising through the sale of all the assets charged to bank during the month of May, 2016.

- (ii) Also during the year 2016-17, Andhra Bank (Sultan Bazar Branch, Hyderabad) loan of has auctioned the Land & Buildings under construction situated at Plot No 17, Sy No.408/1 situated at Madhurawada Village, Vishakapatanam Rural, (Amounting to Rs.8,51,01,353/- as on 31st March, 2016, as per Books of Accounts) towards the repayment of their outstanding Term loan Rs.9.10 Crores (Excluding Current Year (FY 15-16) interest of Rs.1,75,60,018/-) against the security of the said project. However details of the amount realised, expenses incurred were not yet disclosed by the bank.
- (iii) Also during the year 2016-17, Investments in Cura Global GRC Solutions PTE Ltd (i.e 27,23,510 Equity Shares with face value of \$1/- each fully paid) have been sold to White Orchids Co Ltd for an amount of \$ 1,36,175/-.
- (iv) The Accounting treatment for the above transactions will be recorded in the books of accounts during the Financial Year 2016-17.

2.28. Figures were regrouped/reclassified wherever necessary. Figures are rounded off to the nearest rupee.

See accompanying notes forming part of the financial statements 1 to 22

The accompanying notes are an integral part of financial statements

As per our report of even date attached

for **RAMBABU & Co.,**  
Chartered Accountants  
Firm Registration No.: 002976S

for and on behalf of Board

**RAVI RAMBABU**  
Partner  
Membership No: 018541

**G. Balareddy**  
Director

**N. Venkata Reddy**  
Director

Place: Hyderabad  
Date: 31.05.2016

## Notes forming part of Balance sheet

| Particulars   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
| <b>Note 3 :</b>   |                         |                         |
| <b>Share Capital</b>  |                         |                         |
| <b>Authorised Share Capital</b>   |                         |                         |
| 100,00,000 Equity shares of Rs.10/- each                                  | 100,000,000             | 100,000,000             |
|   | <u>100,000,000</u>      | <u>100,000,000</u>      |
| <b>Issued, Subscribed &amp; Paid up Capital</b>                           | 95,550,000              | 95,550,000              |
| 95,55,000 Equity Shares of Rs.10/- each fully paid up                     |                         |                         |
| (Previous year 95,50,000 Equity Shares of Rs.10/- each fully paid-up)     |                         |                         |
|   | <u>95,550,000</u>       | <u>95,550,000</u>       |
| <b>Reconciliation of the equity shares outstanding is set out below:</b>  |                         |                         |
| <b>Equity Shares:</b>   |                         |                         |
| Number of shares outstanding at the beginning of the year                 | 9,555,000               | 9,555,000               |
| Share issued during the year:   |                         |                         |
| on exercise of employee stock options                                     | -                       | -                       |
| Number of shares outstanding at the end of the year                       | <u>9,555,000</u>        | <u>9,555,000</u>        |
| <b>Details of shareholders holding more than 5% shares in the company</b> |                         |                         |
| Particulars   |                         |                         |
| SAHASRA INVESTMENTS ( P ) LTD   | 3,046,031               | 3,617,726               |
| Share holding %   | 31.88                   | 37.86                   |
| <b>Note 4 :</b>   |                         |                         |
| <b>Reserves &amp; Surplus</b>   |                         |                         |
| a. Capital reserve  | 1,565,900               | 1,565,900               |
| b. Securities premium   |                         |                         |
| Opening balance   | 613,287,556             | 613,287,556             |
| Closing balance   | <u>613,287,556</u>      | <u>613,287,556</u>      |
| c. General reserve  |                         |                         |
| Opening balance   | 32,328,123              | 32,328,123              |
| Closing balance   | <u>32,328,123</u>       | <u>32,328,123</u>       |
| d. Profit and Loss Statement  |                         |                         |
| Opening balance   | (231,581,310)           | 13,742,807              |
| Add: Profit for the year  | <u>(1,559,939)</u>      | <u>(245,324,116)</u>    |
| Closing balance   | <u>(233,141,248)</u>    | <u>(231,581,310)</u>    |
|   | <u>414,040,331</u>      | <u>415,600,269</u>      |
| <b>Note 5 :</b>   |                         |                         |
| <b>Long Term Borrowing</b>  |                         |                         |
| <b>From Banks - Secured</b>   |                         |                         |
| (a) Andhra Bank Term Loan (refer note 10.2 and 2.27)                      | -                       | 274,778,946             |
|   | <u>-</u>                | <u>274,778,946</u>      |
| <b>Note 6 :</b>   |                         |                         |
| <b>Deferred Tax Liabilities</b>   |                         |                         |
| Opening Deferred tax liability  | 3,385,457               | 4,697,515               |
| Tax effect of items constituting deferred tax liability                   |                         |                         |
| On difference between book balance and tax balance of fixed assets        | <u>(1,266,886)</u>      | <u>(1,312,058)</u>      |
| Net deferred tax asset  | <u>2,118,571</u>        | <u>3,385,457</u>        |

| Particulars  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
| <b>Note 7 :</b>  |                         |                         |
| Other Long Term Liabilities  |                         |                         |
| Rental deposits  | 3,474,759               | 6,293,639               |
| <b>Note 8 :</b>  | 3,474,759               | 6,293,639               |
| <b>Long Term Provision</b>   |                         |                         |
| (a) Leave Encashment Payable   | 630,235                 | 519,195                 |
| (b) Provision for Gratuity (Note 8.1)  | 669,999                 | 806,913                 |
|  | 1,300,234               | 1,326,108               |
| <b>Note 8.1 :</b>  |                         |                         |
| Provision for gratuity of Rs. 6,69,999/- and Leave Encashment of Rs.6,30,235/- was not valued by Actuary.  |                         |                         |
| <b>Note 9 :</b>  |                         |                         |
| <b>Trade Payables</b>  |                         |                         |
| (a) Creditors for Materials  | -                       | -                       |
| (b) Creditors for Services   | 20,829,666              | 9,229,434               |
|  | 20,829,666              | 9,229,434               |
| <b>Note 10:</b>  |                         |                         |
| <b>Other Current Liabilities</b>   |                         |                         |
| (a) Current maturities of long-term debt, Secured (refer note 10.1 & 5.1)  |                         |                         |
| (i) Andhra Bank Term Loan (refer note 10.1 and 2.27 )  | 91,002,915              | 91,002,915              |
| (ii) Andhra Bank Term Loan (refer note 10.2 and 2.27)  | 447,121,061             | 174,250,863             |
| (b) Unclaimed dividends  | 141,402                 | 141,402                 |
| (c) Provision for expenses   | -                       | 203,804                 |
| (d) Due to statutory authorities   | 9,172,168               | 4,163,297               |
| (e) Other Liabilities (refer note 2.19)  | 1,956,379               | 1,741,971               |
| <b>Note 10.1</b>   |                         |                         |
| During the financial year 2009-10, the Company has taken a term loan of 9.38 crore from Andhra Bank, Hyderabad. The said loan is repayable in 60 equitable monthly installments of Rs 15.6 Lakhs each commencing from 20th Nov 2009. The said loan is secured by way of first charge on rent receivables from tenants and further secured by second charge on land and buildings of the Company and personal guarantee of Mr. G Bala Reddy, Director. Further the company has defaulted on repayment of the loan and the total outstanding of Rs 10.85 crores including interest is currently due. And due to lack of funds interest payable not accounted, if accounted loss will increase by Rs. 1,75,60,018/-   |                         |                         |
| <b>Note 10.2</b>   |                         |                         |
| During the financial year 2009-10, Cura Global GRC Solutions Pte Ltd - Singapore, has taken a term loan of USD 14.24 Mn from Bank of India, Singapore. Andhra Bank, Hyderabad has given the financial guarantee to Bank of India, Singapore towards 50% of the loan sanctioned by Bank of India, Singapore for which the Company has given a counter guarantee to Andhra Bank, Hyderabad. During the Financial year 2012-13, Bank of India revoked the guarantee given by Andhra Bank, Hyderabad and Andhra Bank, Hyderabad in turn revoked the corporate guarantee given by the company and credited an amount of Rs. 26.86 crores to company's loan account. The said loan is secured by pari-passu mortgage charge on the Land and Building of the company. The Company has debited the the same amount along with the interest to Cura Global GRC Solutions Pte Ltd, Singapore and accounted the under the head Loan and advances to Subsidiaries. And due to lack of funds interest payable not accounted, if accounted loss will increase by Rs. 5,98,79,879/- |                         |                         |
|  | 549,393,925             | 271,504,253             |

Note 11 : FIXED ASSETS SCHEDULE

| Sl. No.   | Name of the Asset  | GROSS BLOCK              |                             |                              | DEPRECIATION             |                              |                              | NET BLOCK          |                    |
|-----------|--|--------------------------|-----------------------------|------------------------------|--------------------------|------------------------------|------------------------------|--------------------|--------------------|
|           |  | Balance as on 01-04-2015 | Additions during the period | Sale or adjts for the period | Balance as on 31-03-2016 | During the period 01-04-2015 | Sale or Adjts for the period | Total 31-03-2016   | As on 31-03-2016   |
| <b>a)</b> | <b>Tangible Assets</b>   |                          |                             |                              |                          |                              |                              |                    |                    |
| 1         | Land at Hyderabad  | 9,174,326                | -                           | -                            | 9,174,326                | -                            | -                            | -                  | 9,174,326          |
| 2         | Building   | 85,936,779               | -                           | -                            | 85,936,779               | 16,537,679                   | 1,400,323                    | 17,938,002         | 67,998,777         |
| 3         | Air Conditioning System  | 18,066,934               | -                           | -                            | 18,066,934               | 10,097,494                   | 754,238                      | 10,851,732         | 7,215,202          |
| 4         | Plant & Machinery  | 3,170,162                | -                           | -                            | 3,170,162                | 1,897,612                    | 119,362                      | 2,016,974          | 1,153,188          |
| 5         | Electrical Equipments  | 6,338,874                | -                           | -                            | 6,338,874                | 3,727,294                    | 512,108                      | 4,239,402          | 2,099,472          |
| 6         | Electrical Fittings  | 9,478,245                | -                           | -                            | 9,478,245                | 5,658,401                    | 772,138                      | 6,430,539          | 3,047,706          |
| 7         | Interiors, Furniture & Fixtures  | 36,431,638               | -                           | -                            | 36,431,638               | 26,646,813                   | 1,780,521                    | 28,427,333         | 8,004,305          |
| 8         | Lift System  | 2,817,500                | -                           | -                            | 2,817,500                | 1,727,619                    | 219,002                      | 1,946,620          | 870,880            |
| 9         | Fire Safety Equipment  | 2,439,423                | -                           | -                            | 2,439,423                | 2,317,452                    | -                            | 2,317,452          | 121,971            |
| 10        | Computers  | 16,500,788               | 373,600                     | -                            | 16,874,388               | 16,025,933                   | 302,210                      | 16,328,143         | 546,245            |
| 11        | Office Equipment   | 3,939,512                | 18,400                      | -                            | 3,957,912                | 3,583,326                    | 113,957                      | 3,697,283          | 260,629            |
| 12        | Library Books  | 63,389                   | -                           | -                            | 63,389                   | 63,389                       | -                            | 63,389             | -                  |
| 13        | Motor Cars   | 2,074,460                | -                           | -                            | 2,074,460                | 1,689,249                    | 118,181                      | 1,807,430          | 267,030            |
| 14        | Land at Vizag  | 3,867,596                | -                           | -                            | 3,867,596                | -                            | -                            | -                  | 3,867,596          |
|           | (under development)  |                          |                             |                              |                          |                              |                              |                    |                    |
|           | <b>TOTAL (a)</b>   | <b>200,299,626</b>       | <b>392,000</b>              | -                            | <b>200,691,626</b>       | <b>89,972,260</b>            | <b>6,092,039</b>             | <b>96,064,299</b>  | <b>104,627,327</b> |
| <b>b)</b> | <b>Intangible Assets</b>   |                          |                             |                              |                          |                              |                              |                    |                    |
| 1         | Software Tools & Packages  | 15,883,587               | -                           | -                            | 15,883,587               | 12,692,505                   | 1,494,899                    | 14,187,404         | 1,696,182          |
|           | <b>TOTAL (b)</b>   | <b>15,883,587</b>        | -                           | -                            | <b>15,883,587</b>        | <b>12,692,505</b>            | <b>1,494,899</b>             | <b>14,187,404</b>  | <b>1,696,182</b>   |
|           | <b>TOTAL (a+b)</b>   | <b>216,183,213</b>       | <b>392,000</b>              | -                            | <b>216,575,213</b>       | <b>102,664,765</b>           | <b>7,586,938</b>             | <b>110,251,703</b> | <b>106,323,509</b> |
|           | <b>Refer Note 2.27</b>   |                          |                             |                              |                          |                              |                              |                    |                    |
|           | <b>Note 11.1:</b> During the Financial year 2016-17, Andhra Bank (Sultan Bazar Branch, Hyderabad) Loan of Rs.44,71,21,016/- (Excluding Current Year (FY 15-16) interest of Rs.5,98,79,879/-) which is secured by Land & buildings situated at Flat No.12, Software units layout, Cyberabad, Hyderabad-81 amounting to Rs.17,38,53,881/- (Net amount as at 31st March, 2016 of Rs.9,96,85,827/-) was settled under One Time Settlement for an Amount of Rs.50,00,00,000/- The said settled Loan amount of Rs.50,00,00,000/- was paid by realising through the sale of all the assets charged to bank during the month of May, 2016. |                          |                             |                              |                          |                              |                              |                    |                    |
|           | Also during the year 2016-17, Andhra Bank (Sultan Bazar Branch, Hyderabad) loan of Rs.9.10 crores (Excluding Current Year (FY 15-16) interest of Rs.1,75,60,018/-) has auctioned the Land & Buildings under construction situated at Plot No 17, Sy No.408/1 situated at Madhurwada Village, Vishakapatnam Rural, (Amounting to Rs.8,51,01,353/- as on 31st March, 2016, as per Books of Accounts) towards the repayment of their loan sanctioned against the security of the said project. However details of the amount realised, expenses incurred were not yet disclosed by the bank.  |                          |                             |                              |                          |                              |                              |                    |                    |
|           | The Accounting treatment for the above two transactions will be recorded in the books of accounts during the Financial Year 2016-17.   |                          |                             |                              |                          |                              |                              |                    |                    |

| Particulars  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
| <b>Note 12:</b>  |                         |                         |
| <b>Non Current Investments (Unquoted)</b>  |                         |                         |
| Cura Global GRC Solutions Pte Ltd.   | 132,498,797             | 132,498,797             |
| <i>(Cost of 27,23,510 Equity Shares with face value of USD 1/- each fully paid and one Equity Shares of SGD 1/- each fully paid)</i>   |                         |                         |
| Softpro Technologies Pvt Ltd   | 4,664,100               | 4,664,100               |
| <i>(932,820 Equity Shares with face value of Rs.10/- each fully paid up after provision for diminution in value of investments)</i>  |                         |                         |
|  | <b>137,162,897</b>      | <b>137,162,896</b>      |
| <b>Note 13:</b>  |                         |                         |
| <b>Long-term Loans and Advances</b>  |                         |                         |
| <i>(Advances recoverable in cash or in kind or for the value to be received)</i>   |                         |                         |
| a) Advances to Subsidiaries - (Cura Singapore) (refer note 10.2)   | 536,289,101             | 536,289,101             |
| Less: Provision for advance  | (86,376,463)            | (86,376,463)            |
|  | <b>449,912,638</b>      | <b>449,912,638</b>      |
| b) Advances for capital goods  | -                       | 17,945,000              |
| Less: Advances written off   |                         | (17,945,000)            |
|  | -                       | -                       |
| c) Other advances  | 8,260,916               | 87,547,903              |
| Less: Advances written off   | -                       | (78,823,987)            |
|  | <b>8,260,916</b>        | <b>8,723,916</b>        |
| d) Advances to Related Parties   | 60,194,821              | 59,894,821              |
| e) Deposits with Government authorities (refer note 13.1)  | 3,288,762               | 3,107,536               |
| f) Prepaid Taxes   | 13,720,434              | 11,748,037              |
|  | <b>535,377,571</b>      | <b>533,386,948</b>      |
| <b>Note 13.1:</b>  |                         |                         |
| Deposits with Government Authorities include an amount of Rs. 21,40,148 (previous year: Rs.21,40,148) towards Security Deposit with APCPDCL Hyderabad.   |                         |                         |
| <b>Note 14:</b>  |                         |                         |
| <b>Trade Receivables</b>   |                         |                         |
| <b>(Unsecured)</b>   |                         |                         |
| a) Outstanding for More than 6 months  |                         |                         |
| Considered Good (Note 14.1)  | 217,863,922             | 204,674,427             |
| Considered doubtful  | -                       | 31,413,718              |
|  | <b>217,863,922</b>      | <b>236,088,145</b>      |
| Less: Bad Debts written off  | -                       | (31,413,718)            |
|  | <b>217,863,922</b>      | <b>204,674,427</b>      |
| b) Others  | 53,797                  | 87,654                  |
|  | <b>217,917,719</b>      | <b>204,762,082</b>      |
| <b>Note 14.1:</b>  |                         |                         |
| Trade Receivable outstanding more than six months is receivable from 100% subsidiary (Cura Global GRC- Singapore). However, out of above, realisation of receivables of Rs-20,46,74,427/- is doubtful. However no provision has been made during the year. |                         |                         |

| Particulars  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
| <b>Note 15:</b>  |                         |                         |
| <b>Cash and Bank Balances</b>  |                         |                         |
| I) Cash and Cash Equivalents   |                         |                         |
| a) Cash in Hand  | 30,928                  | 14,716                  |
| b) Balances with scheduled banks   | 816,349                 |                         |
| i) In current accounts   |                         | 2,994,337               |
| II) Other Bank Balances  |                         |                         |
| a) Unclaimed Dividends   | 141,402                 | 141,402                 |
| Cash and cash equivalents for cash flow statements   | <u>988,680</u>          | <u>3,150,455</u>        |
| <i>Out of the above Cash and Cash equivalents which meet the definition of Cash flow statements is Rs8,47,278. (previous year Rs. 30,09,053)</i> |                         |                         |
| <b>Note 16:</b>  |                         |                         |
| <b>Short-term Loans and Advances</b>   |                         |                         |
| Advances to vendors  | 213,000                 | 15,211,500              |
| Less: Advances written off   | -                       | (15,000,000)            |
|  | <u>213,000</u>          | <u>211,500</u>          |
| Other Advances   | 81,721                  | 11,000                  |
|  | <u>294,721</u>          | <u>222,500</u>          |
| <b>Note 17:</b>  |                         |                         |
| <b>Other Current Assets</b>  |                         |                         |
| Prepaid expenses   | 208,236                 | 1,156,679               |
| Rent Receivables   | 7,200,394               | 3,530,630               |
| Provision For Expenses   | -                       | -                       |
| Others   | -                       | 24,311                  |
|  | <u>7,408,629</u>        | <u>4,711,620</u>        |
| <b>Note 18:</b>  |                         |                         |
| <b>Revenue from Operations</b>   |                         |                         |
| Software development on Exports Projects   | 63,333,329              | 55,772,548              |
|  | <u>63,333,329</u>       | <u>55,772,548</u>       |
| <b>Note 19:</b>  |                         |                         |
| <b>Other Income</b>  |                         |                         |
| Rent Receipts for Space (Gross Amount)   | 28,323,484              | 30,611,784              |
| Less: Service Tax  | (3,442,010)             | (3,367,410)             |
|  | <u>24,881,474</u>       | <u>27,244,374</u>       |
| Maintenance Charges Receipts   | 4,272,346               | 4,201,509               |
| Parking Charges Receipts   |                         |                         |
| Rent Receipts for Furniture  |                         |                         |
| Interest Received  | 211,689                 | 153,854                 |
| Foreign exchange Gain  | 492,581                 | -                       |
| Miscellaneous Income   | 24,974                  | 969,831                 |
|  | <u>29,883,064</u>       | <u>32,569,568</u>       |
| <b>Note 20:</b>  |                         |                         |
| <b>Employee Benefit</b>  |                         |                         |
| Salaries, wages and bonus  | 41,488,225              | 36,913,558              |
| Contribution to provident and other funds  | 2,246,851               | 1,872,411               |
| Staff welfare expenses   | 782,454                 | 802,958                 |
|  | <u>44,517,530</u>       | <u>39,588,927</u>       |

| Particulars                               | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
| <b>Note 21:</b>                           |                         |                         |
| <b>Finance Cost</b>                       |                         |                         |
| Interest on term loans                    | -                       | 14,663,526              |
| Bank Charges & Commission                 | 4,857                   | 191,535                 |
|   | <b>4,857</b>            | <b>14,855,061</b>       |
| <b>Note 22:</b>                           |                         |                         |
| <b>Other Expenses</b>                     |                         |                         |
| Advertisements                            | 171,326                 | 175,056                 |
| Selling expenses                          | 4,514,200               | 4,442,880               |
| Maintenance Expenses                      | 3,917,344               | 4,603,823               |
| Power and fuel                            | 3,942,068               | 3,724,354               |
| Professional & Consulting expenses        | 17,956,888              | 3,671,611               |
| Travelling and conveyance                 | 1,430,130               | 166,749                 |
| Foreign exchange loss                     | -                       | 26,709,516              |
| Communication                             | 1,082,321               | 1,015,948               |
| Rent                                      | 2,086,249               | 2,423,919               |
| Security expenses                         | 2,500,540               | 2,221,386               |
| Rates and taxes                           | 3,440,713               | 1,845,504               |
| Printing and stationery                   | 213,085                 | 80,837                  |
| Insurance                                 | 409,949                 | 454,526                 |
| Payment to auditors                       | 650,000                 | 650,000                 |
| Provision for Advances                    | -                       | 198,145,450             |
| Provision for doubtful debts              | -                       | 15,706,858              |
| Miscellaneous                             | 1,619,078               | 1,134,413               |
|   | <b>43,933,890</b>       | <b>267,172,830</b>      |
| <b>Note 22.1:</b>                         |                         |                         |
| <b>Payments to the auditors comprises</b> |                         |                         |
| <i>(Excluding Service Tax)</i>            |                         |                         |
| Audit Fee                                 | 450,000                 | 450,000                 |
| Tax Audit Fee                             | 100,000                 | 100,000                 |
| Certification and others                  | 100,000                 | 100,000                 |
|   | <b>650,000</b>          | <b>650,000</b>          |

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**CURA TECHNOLOGIES LIMITED**  
 Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **CURA TECHNOLOGIES LIMITED** ("the Company") and its Subsidiaries (collectively referred to as "the Group") which comprise the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (here in referred as "the consolidated financial statements")

**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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under Section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 state of affairs of the Company as at March 31, 2016, and its consolidated Loss and its consolidated Cash Flow for the year ended on that date.

**Other Matters**

1. We have audited the Financial statements of the subsidiary namely M/s. Softpro Technologies Private Limited which reflects total assets (net) of Rs. 106.14 lakhs as at March 31, 2016, total revenue (net) of Rs. "Nil" and net cash flows amounting to Rs. "Nil" for the year ended 31st March, 2016.

2. The consolidated financial statements include the audited financial statements of Subsidiary namely, M/s. Cura Global GRC Solutions (Pte) Limited, Singapore. Our opinion, in so far as it relates to the amounts included in respect of such subsidiary, is based solely on such audit report and inputs thereon.

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

#### **Report on Other Legal and Regulatory Requirements**

1. 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 it appears from our examination of those books;
  - c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - 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 written representations received from the directors of the Company and its associates as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiaries and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31st March 2016 on its consolidated financial position in its financial statements as referred to in note 2.17 to the financial statements.
    - ii. The Group, its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 2013 and the Rules made there under.

**For RAMBABU & Co.,**  
Chartered Accountants  
FRN: 002976S

**Ravi Rambabu**  
Partner  
M.No.018541

Place: Hyderabad

Date: 10-11-2016

#### **"Annexure A" to the Independent Auditor's Report**

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

We have audited the internal financial controls over financial reporting of CURA TECHNOLOGIES LIMITED ("the Holding Company") in respect of standalone Financial Statements as at March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

##### **Management's Responsibility for Internal Financial Controls**

The Company's management responsible for establishing and maintaining internal financial controls base on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly

and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad  
Date: 10-11-2016

**For RAMBABU & Co.,**  
Chartered Accountants  
FRN: 002976S

**Ravi Rambabu**  
Partner  
M.No.018541

**NOTES FORMING PART OF FINANCIAL STATEMENTS****1. CORPORATE INFORMATION**

CURA Technologies Limited (CURA' or 'the Company'), having registered office at #12, Software Units Layout, Cyberabad, Hyderabad, Telangana – 500 081, with its presence in 7 geographies of the world is a global enterprise class software application provider for organizations to efficiently manage their Risk, Compliance and Audit framework through an automated process.

**2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES****2.1 Accounting Conventions:**

The financial statements have been prepared under the historical cost conventions in accordance with the generally accepted accounting principles in India including the Accounting Standards notified by the Government of India and issued by the Institute of Chartered Accountants of India, as applicable, and the provisions of the Companies Act as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

**2.2 Use of Estimates:**

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period like provision for employee benefits, provision for doubtful debts/advances/contingencies, allowances for slow/non moving inventories, useful lives of fixed assets, provision for taxation, etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

**2.3 Inventories:**

Inventories have been valued at lower of cost or net realizable value.

**2.4 Cash and Cash equivalents (for purposes of Cash Flow Statement):**

Cash comprises of cash on hand, amount in current accounts and deposit accounts.

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.5 Depreciation and Amortization:**

Depreciation on Fixed Assets including on the additions on account of revaluation has been provided on a straight-line method as per the useful lives specified in the Schedule II to the Companies Act, 2013.

Intangible assets are amortized over the estimated useful life:

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to effect the changed pattern.

**2.6 Revenue Recognition:**

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

Annual maintenance contracts and revenue from fixed maintenance contracts are recognized over the period in which the services are rendered.

Revenue from sale of user licenses for software applications is recognized on transfer of title in the user license.

**2.7 Expenditure:**

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

**2.8 Tangible Fixed Assets:**

Fixed Assets are stated at cost of acquisition as reduced by accumulated depreciation. All costs including financial costs up to the date of commissioning and attributable to the fixed assets are capitalized apart from taxes, freight and other incidental expenses related to the acquisition and installation of the respective fixed assets and excludes duties and taxes to the extent recoverable from tax authorities.

Fixed Assets which are revalued are stated at the amounts revalued as reduced by the depreciation.

**2.9 Intangible assets:**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

**2.10 Foreign Exchange Transactions:*****Initial Recognition***

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

***Measurement of foreign currency monetary items at the Balance Sheet date***

Foreign currency monetary items (other than derivative contracts) of the Company at the Balance Sheet date are restated at the year-end rates.

***Treatment of exchange differences***

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

**2.11 Investments**

Long term Investments are stated at cost. Provision, if any, is made for permanent diminution in the value of investments. Current investments are stated at lower of cost or market value.

**2.12 Employee Benefits:****a. Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and short term compensated absences etc. are recognized in the period in which the employee renders the related service.

**b. Long Term Employee Benefits****Defined Benefit Plans**

The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year by actuarial professionals using the Projected Unit Credit method. Actuarial gains / losses are immediately recognized in the Statement of Profit and Loss.

In respect of Provident Fund and Pension Fund, Contributions are made by the Company in accordance with the relevant rules and fully charged off to Statement of Profit and Loss.

The company provides for leave encashment based on valuations, as at the balance sheet date, made by independent actuaries.

**2.13 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**2.14 Taxes on Income**

Income tax liability for the year is calculated in accordance with the relevant tax laws and regulations applicable to the Company. Deferred tax is recognized on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**2.15 Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets. The recoverable amount of such assets is estimated. Where the carrying amount of the asset exceeds the recoverable amount, the impairment loss is recognized in the Statement of profit and loss.

**2.16 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**Notes on Accounts:**

2.17 The company has the following Contingent liabilities as on :

(₹)

| Particulars   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| i) Bank Guarantee issued to Central Excise department | <b>249,991</b> | 249,991        |
| ii) Claim against the Company not acknowledge as debt | -              | -              |

iii) The Commercial Tax Officer, (FAC), Madhapur, vide Assessment order dated 27.04.2010 raised a demand towards Value Added Tax amounting to ₹ 4,176,381 (Details given below) on rent for furniture. The Company approached the High Court of Andhra Pradesh for stay and in turn the High Court of Andhra Pradesh has granted interim Stay for further proceedings with a condition that Company shall pay 12.5% of disputed tax. The Company paid an amount of ₹ 522,047 towards disputed Tax liability.

(₹)

| Particulars | March 31, 2016   | March 31, 2015 |
|-------------|------------------|----------------|
| 2005-2006   | <b>1,058,047</b> | 1,058,047      |
| 2006-2007   | <b>1,358,171</b> | 1,358,171      |
| 2007-2008   | <b>1,760,163</b> | 1,760,163      |
| Total       | <b>4,176,381</b> | 4,176,381      |

iv) Income Tax-Rs.6,88,52,599/-

Company preferred an appeal with CIT (Appeals) against above demand for A.Y 2012-13. The appeal is yet to be disposed. The Company is expecting that the appeal will be disposed in favour of the Company. Hence, no provision is made for the liability in the books of accounts during the year.

2.18 Estimated amount of contracts remaining to be executed on capital accounts not provided for ₹ NIL [Previous year ₹ NIL].

2.19 The Company granted 100,000 Options under ESOP 2008 to its employees @ ₹ 42 each (Including premium of ₹ 32 each) on 28-08-2008 and received ESOP 2008 application money of ₹ 1,000,000 on granting of 100,000 Options @ ₹ 10 each. The details of the outstanding options granted, expired and exercised are as follows:

| Particulars                              | Shares arising out of options | Range of exercise price |
|--|-------------------------------|-------------------------|
| Outstanding at the beginning of the year | 35,000                        | ₹ 42                    |
| Grants during the year                   | -                             | -                       |
| Expired/forfeited during the year        | -                             | -                       |
| Exercised during the year                | -                             | -                       |
| Outstanding at the end of the year       | 35,000                        | ₹ 42                    |
| Exercisable at the end of the year       | 35,000                        | ₹ 42                    |

2.20 Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006.

| Particulars   | As at<br>31 March 2016 | As at<br>31 March 2015 |
|---|------------------------|------------------------|
| a) Principal amount remaining unpaid and interest due thereon   | NIL                    | NIL                    |
| b) Interest paid in terms of Section 16                         | NIL                    | NIL                    |
| c) Interest due and payable for the period of delay in payments | NIL                    | NIL                    |
| d) Interest accrued and remaining unpaid                        | NIL                    | NIL                    |
| e) Interest due and payable even in succeeding years            | NIL                    | NIL                    |

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

2.21 Information regarding related party transactions as per Accounting Standard 18 is given below:

A. Names of Related Parties and description of Relationship:

| Party   | Relationship                    |
|---|---------------------------------|
| G.Bala Reddy                                  | Key Management Person           |
| G.Venkateswara Rao (Up to 12th November 2015) | Key Management Person           |
| Softpro Technologies Private Limited          | Subsidiary Company              |
| Cura Global GRC Solutions Pte Limited         | Wholly Owned Subsidiary Company |
| ICSA (INDIA) Limited                          | Associate Company               |
| Sahasra Investments Pvt Ltd                   | Associate Company               |

The Details of Related party transactions in terms of Accounting Standard (AS- 18 ) are as follows:

| Description                   | Subsidiaries        | Associates         | KMP'S | Relatives of KMP's |
|-------------------------------|---------------------|--------------------|-------|--------------------|
| Sales                         | 6,33,33,329         | -                  | -     | -                  |
|                               | <i>5,57,72,548</i>  | -                  | -     | -                  |
| Loans and Advances given      | 44,99,12,638        | 6,04,04,737        | -     | -                  |
|                               | <i>44,99,12,638</i> | <i>6,07,04,737</i> | -     | -                  |
| Balances Receivable/(Payable) | 21,78,63,922        | (20,50,000)        | -     | -                  |
|                               | <i>20,46,74,427</i> | <i>(20,50,000)</i> | -     | -                  |

Note: - Amounts in Italics relating to previous year.

- 2.22 Provision for Gratuity is made for the employees on the basis of calculation by the company:Gratuity
- 2.23 Provision for Leave Encashment is made for the employees on the basis of calculation by the company:Leave Encashment
- 2.24. Quantitative details requirements regarding software and technical services are not applicable.
- 2.25 Balances of Sundry Debtors, Loans & Advances and Sundry Creditors are subject to confirmation from the concerned parties.
- 2.26 EVENTS OCCURRED AFTER BALANCE SHEET
- (i) During the Financial year 2016-17,Andhra Bank(Sultan Bazar Branch, Hyderabad) Term Loan of Rs.89,70,33,699/-(Excluding Current Year(FY 15-16) interest of Rs.5,98,79,879/-) which is secured by Land & buildings situated at Flat No.12,Software units layout, Cyberabad,Hyderabad-81 amounting to Rs.17,38,53,881/-(Net amount as at 31st March,2016 of Rs.9,96,85,827/-) was settled under One Time Settlement for an Amount of Rs.50,00,00,000/-.The said settled Loan amount of Rs.50,00,00,000/- was paid by realising through the sale of all the assets charged to bank during the month of May, 2016.
- (ii) Also during the year 2016-17,Andhra Bank(Sultan Bazar Branch, Hyderabad) loan of has auctioned the Land & Buildings under construction situated at Plot No 17, Sy No.408/1 situated at Madhurawada Village, Vishakapatnam Rural,(Amounting to Rs.8,51,01,353/-as on 31st March,2016,as per Books of Accounts) towards the repayment of their outstanding Term loan Rs.9.10 Crores (Excluding Current Year(FY 15-16) interest of Rs.1,75,60,018/-) against the security of the said project. However details of the amount realised, expenses incurred were not yet disclosed by the bank.
- (iii) Also during the year 2016-17,Investments in Cura Global GRC Solutions PTE Ltd (i.e 27,23,510 Equity Shares with face value of \$1/- each fully paid) have been sold to White Orchids Co Ltd for an amount of \$ 1,36,175/-.
- (iv) The Accounting treatment for the above transactions will be recorded in the books of accounts during the Financial Year 2016-17.

2.27. Figures were regrouped/reclassified wherever necessary. Figures are rounded off to the nearest rupee.

See accompanying notes forming part of the financial statements 1 to 22

As per our report of even date attached

for **RAMBABU & Co.,**  
Chartered Accountants  
Firm Registration No.: 002976S

**RAVI RAMBABU**  
Partner  
Membership No: 018541

Place: Hyderabad  
Date: 10.11.2016

for and on behalf of Board

**G. Balareddy**  
Director

**N. Venkata Reddy**  
Director

**Consolidated Balance Sheet as at 31st March 2016**

Amount in Rs.

|           | Particulars                     | Note      | As at<br>31 March 2016 | As at<br>31 March 2015 |
|-----------|---------------------------------|-----------|------------------------|------------------------|
| <b>I</b>  | <b>EQUITY &amp; LIABILITIES</b> |           |                        |                        |
| <b>1</b>  | <b>SHARE HOLDERS' FUND</b>      |           |                        |                        |
|           | Share Capital                   | 3         | <b>955,50,000</b>      | 955,50,000             |
|           | Reserves & Surplus              | 4         | <b>(13077,11,642)</b>  | (9025,14,085)          |
|           |                                 |           | <b>(12121,61,642)</b>  | (8069,64,085)          |
| <b>2</b>  | <b>NON-CURRENT LIABILITIES</b>  |           |                        |                        |
| (a)       | Long Term Borrowings            | 5         | <b>3065,04,518</b>     | 5645,41,815            |
| (b)       | Deferred Tax Liabilities        | 6         | <b>21,18,571</b>       | 33,85,457              |
| (c)       | Other Long Term Liabilities     | 7         | <b>4247,26,073</b>     | 3079,16,907            |
| (d)       | Long Term Provisions            | 8         | <b>1238,83,655</b>     | 1158,00,167            |
|           |                                 |           | <b>8572,32,817</b>     | 9916,44,346            |
| <b>3</b>  | <b>CURRENT LIABILITIES</b>      |           |                        |                        |
| (a)       | Trade Payables                  | 9         | <b>1429,03,002</b>     | 1042,87,830            |
| (b)       | Other Current Liabilities       | 10        | <b>6037,52,793</b>     | 3386,17,718            |
|           |                                 |           | <b>7466,55,795</b>     | 4429,05,547            |
|           |                                 |           | <b>3917,26,969</b>     | 6275,85,809            |
| <b>II</b> | <b>ASSETS</b>                   |           |                        |                        |
|           | <b>NON CURRENT ASSETS</b>       |           |                        |                        |
| <b>1</b>  | <b>(a) Fixed Assets</b>         | <b>11</b> |                        |                        |
|           | Tangible Assets                 |           | <b>1054,53,350</b>     | 1115,41,386            |
|           | Intangible Assets               |           | <b>16,96,182</b>       | 31,91,082              |
|           | Capital Work-in-progress        | 2.26      | <b>812,33,757</b>      | 807,53,156             |
|           |                                 |           | <b>1883,83,289</b>     | 1954,85,624            |
| (b)       | Goodwill                        |           | -                      | -                      |
| (c)       | Long Term Loans & Advances      | 12        | <b>554,36,443</b>      | 2843,10,040            |
|           |                                 |           | <b>554,36,443</b>      | 2843,10,040            |
| <b>2</b>  | <b>CURRENT ASSETS</b>           |           |                        |                        |
| (a)       | Trade Receivables               |           | -                      | -                      |
| (b)       | Cash and Bank Balances          | 13        | <b>1305,28,509</b>     | 1194,48,286            |
| (c)       | Short Terms Loans and Advances  | 14        | <b>65,79,494</b>       | 181,87,628             |
| (d)       | Other Current Assets            | 15        | <b>107,99,234</b>      | 101,54,232             |
|           |                                 |           | <b>1479,07,237</b>     | 1477,90,145            |
|           |                                 |           | <b>3917,26,969</b>     | 6275,85,809            |

See accompanying notes forming part of the financial statements 1 to 20

The accompanying notes are an integral part of financial statements

As per our report of even date attached

for **RAMBABU & Co.,**  
Chartered Accountants  
Firm Registration No.: 002976S

**RAVI RAMBABU**  
Partner  
Membership No: 018541  
Place: Hyderabad  
Date: 10.11.2016

for and on behalf of Board

**G. Balareddy**  
Chairman & Managing Director

**G.Venkateswara Rao**  
Executive Director

## Consolidated Statement of Profit and Loss for the year ended 31st March 2016

Amount in Rs.

| Particulars   | Note    | for the year ended<br>31st March<br>2016 | for the year ended<br>31st March<br>2015 |
|---|---------|--|--|
| Revenue from operations   | 16      | 2342,60,262                              | 2864,29,741                              |
| Other Income  | 17      | 333,48,338                               | 329,42,404                               |
| Total Revenue   |         | 2676,08,600                              | 3193,72,145                              |
| <b>Expenses</b>   |         |  |  |
| Employee Benefit Expenses                                       | 18      | 1051,95,937                              | 1470,65,087                              |
| Finance Costs   | 19      | 609,40,147                               | 868,92,685                               |
| Depreciation & Amortisation expenses                            | 11      | 83,42,617                                | 150,21,775                               |
| Other expenses  | 20      | 1584,86,781                              | 13338,81,860                             |
| Total Expenses  |         | 3329,65,481                              | 15828,61,407                             |
| <b>PROFIT BEFORE TAX &amp; EXCEPTIONAL ITEMS</b>                |         | <b>(653,56,881)</b>                      | <b>(12634,89,262)</b>                    |
| Tax Expenses  |         |  |  |
| Current Tax   |         | 31,225                                   | 47,48,550                                |
| Deferred Tax  | 6       | 12,66,887                                | 22,95,839                                |
| <b>PROFIT AFTER TAX BEFORE EXCEPTIONAL ITEMS</b>                |         | <b>(666,54,993)</b>                      | <b>(12705,33,651)</b>                    |
| Exceptional items   |         |  |  |
| <b>PROFIT AFTER TAX AND EXCEPTIONAL ITEMS</b>                   |         | <b>(666,54,993)</b>                      | <b>(12705,33,651)</b>                    |
| <b>EARNINGS PER EQUITY SHARE</b>                                |         |  |  |
| Equity share of par value Rs.10/- each                          |         |  |  |
| <b>Earnings per share</b>                                       |         |  |  |
| Basic - Par value   |         | (6.98)                                   | (132.97)                                 |
| Diluted - Par value   |         | -  | -  |
| <b>Number of shares used in computing earning per share</b>     |         |  |  |
| Basic - Par value   |         | 95,55,000                                | 95,55,000                                |
| Diluted - Par value   |         | 95,55,000                                | 95,55,000                                |
| See accompanying notes forming part of the financial statements | 1 to 20 |  |  |

The accompanying notes are an integral part of financial statements

As per our report of even date attached

for **RAMBABU & Co.,**  
Chartered Accountants  
Firm Registration No.: 002976S

for and on behalf of Board

**RAVI RAMBABU**  
Partner  
Membership No: 018541

**G. Balareddy**  
Chairman & Managing Director

**G.Venkateswara Rao**  
Executive Director

Place: Hyderabad  
Date: 10.11.2016

**Consolidated Cash Flow Statement for the year ended 31st March, 2016**

Amount in Rs.

| Particulars  | for the year<br>ended<br>31st March 2016 | for the year<br>ended<br>31st March 2015 |
|--|--|--|
| <b>Cash flow from operating activities</b>                             |  |  |
| Net Profit / (Loss) before extraordinary items and tax                 | <b>(653,56,881)</b>                      | (12634,89,262)                           |
| <b>Adjustments for:</b>  |  |  |
| Depreciation and amortisation  | <b>83,42,617</b>                         | 150,21,775                               |
| Good will write off  | -  | 6296,86,805                              |
| ESOP Expenses  | -  | -  |
| Adjustment in Securites Premium  | <b>(111,64,624)</b>                      | (91,32,301)                              |
| Adjustment in Foreign currency reserve                                 | <b>(3273,77,941)</b>                     | (2517,35,885)                            |
| Foreign exchange loss/ (gain)  | <b>(28,84,232)</b>                       | 344,56,591                               |
| Interest (income)/expenses   | <b>609,40,147</b>                        | 868,92,685                               |
| Operating profit / (loss) before working capital changes               | <b>(3375,00,914)</b>                     | (7582,99,592)                            |
| <b>Changes in working capital:</b>                                     |  |  |
| <i>Adjustments for (increase) / decrease in operating assets:</i>      |  |  |
| Inventories  | -  | -  |
| Trade receivables  | <b>(110,80,223)</b>                      | 1077,23,116                              |
| Short-term loans and advances  | <b>(6,45,002)</b>                        | 157,69,156                               |
| long-term loans and advances   | <b>2317,57,829</b>                       | 4718,58,266                              |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> |  |  |
| Trade payables   | <b>386,15,172</b>                        | (1324,87,097)                            |
| Other current liabilities  | <b>2625,70,076</b>                       | (432,06,142)                             |
| Long-term provisions   | <b>(1331,44,642)</b>                     | 2369,47,757                              |
|  | <b>3880,73,209</b>                       | 6566,05,055                              |
| <b>Cash generated from operations</b>                                  | <b>505,72,295</b>                        | (1016,94,537)                            |
| Net income tax (paid) / refunds  | -  | -  |
| <b>Net cash flow from / (used in) operating activities (A)</b>         | <b>505,72,295</b>                        | (1016,94,537)                            |
| <b>Cash flow from investing activities</b>                             |  |  |
| Capital expenditure on fixed assets, including capital advances        | <b>(12,40,282)</b>                       | 946,81,919                               |
| Sale of fixed asset  | -  | -  |
| <b>Net cash flow from / (used in) investing activities (B)</b>         | <b>(12,40,282)</b>                       | 946,81,919                               |
| <b>Cash flow from financing activities</b>                             |  |  |
| Proceeds from long-term borrowings                                     | -  | -  |
| Repayment of long term borrowing                                       | -  | -  |
| Finance Costs  | <b>(609,40,147)</b>                      | (42,70,916)                              |
| <b>Net cash flow from / (used in) financing activities (C)</b>         | <b>(609,40,147)</b>                      | (42,70,916)                              |
| <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>  | <b>(116,08,134)</b>                      | (112,83,534)                             |
| Cash and cash equivalents at the beginning of the year                 | <b>181,87,628</b>                        | 294,71,161                               |
| <b>Cash and cash equivalents at the End of the year</b>                | <b>65,79,494</b>                         | 181,87,628                               |

See accompanying notes forming part of the financial statements 1 to 20

As per our report of even date attached

for **RAMBABU & Co.,**  
Chartered Accountants  
Firm Registration No.: 002976S

**RAVI RAMBABU**  
Partner  
Membership No: 018541

Place: Hyderabad  
Date: 10.11.2016

for and on behalf of Board

**G. Balareddy**  
Chairman & Managing Director

**G.Venkateswara Rao**  
Executive Director

## Notes forming part of Balance sheet

| Particulars   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
| <b>Note 3 :</b>   |                         |                         |
| <b>Share Capital</b>  |                         |                         |
| <b>Authorised Share Capital</b>   |                         |                         |
| 100,00,000 Equity shares of Rs.10 each  | 100,000,000             | 100,000,000             |
|   | 100,000,000             | 100,000,000             |
| <b>Issued, Subscribed &amp; Paid up Capital</b>   | 95,550,000              | 95,550,000              |
| 95,55,000 Equity Shares of Rs.10/- each fully paid up   |                         |                         |
| (Previous year 95,50,000 Equity Shares of Rs.10/- each fully paid-up)   | 95,550,000              | 95,550,000              |
| <b>Reconciliation of the equity shares outstanding is set out below:</b>  |                         |                         |
| <b>Equity Shares:</b>   |                         |                         |
| Number of shares outstanding at the beginning of the year   | 9,555,000               | 9,555,000               |
| Share issued during the year:   |                         |                         |
| on exercise of employee stock options   | -                       | -                       |
| Number of shares outstanding at the end of the year   | 9,555,000               | 9,555,000               |
| <b>Details of shareholders holding more than 5% shares in the company</b>   |                         |                         |
| Particulars   |                         |                         |
| SAHASRA INVESTMENTS ( P ) LTD   | 3,046,031               | 3,617,726               |
| Share holding %   | 31.88                   | 37.86                   |
| <b>Note 4 :</b>   |                         |                         |
| <b>Reserves &amp; Surplus</b>   |                         |                         |
| Capital reserve   | 15,65,900               | 15,65,900               |
| Securities premium  | 6819,22,926             | 6930,87,549             |
|   | 6834,88,826             | 6946,53,449             |
| <b>General reserve</b>  |                         |                         |
| Opening balance   | 378,32,595              | 378,32,595              |
| Closing balance   | 378,32,595              | 378,32,595              |
| <b>Profit and Loss Statement</b>  |                         |                         |
| Opening balance   | (16734,95,268)          | (4029,61,617)           |
| Add: Profit for the year  | (666,54,993)            | (12705,33,651)          |
| Closing balance   | (17401,50,261)          | (16734,95,268)          |
| Employee stock options outstanding  | -                       | -                       |
| Deffered Stock Compensation cost  | -                       | -                       |
| Foreign currency reserve (refer note 4.9)   | (2895,54,602)           | 378,23,339              |
| Minority Interest   | 6,71,800                | 6,71,800                |
|   | (2888,82,802)           | 384,95,139              |
|   | (13077,11,642)          | (9025,14,085)           |
| During the financial year 2014-16, Cura Global GRC Solutions PTE Ltd - Singapore has impaired 100% of investments amounting to USD 1,57,35,395 in wholly owned subsidiary of cura Risk Management Software PTY Ltd - South Africa. The said impairment was now considered in the financial statements of the financial year 2015-16 |                         |                         |
| <b>Note 5 :</b>   |                         |                         |
| <b>Long Term Borrowing</b>  |                         |                         |
| <b>From Banks - Secured</b>   |                         |                         |
| (a) Andhra Bank Term Loan (refer note 10.2 & 2.26)  | -                       | 2747,78,946             |
| (b) Bank of India Term Loan (refer note 5.1)  | 3065,04,518             | 2897,62,869             |
|   | 3065,04,518             | 5645,41,815             |

| Particulars  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
| <b>Note 5.1</b>  |                         |                         |
| During the financial year 2009-10, Cura Global GRC Solutions Pte Ltd - Singapore, has taken a term loan of USD 14.24 Mn from Bank of India, Singapore. Andhra Bank, Hyderabad has given the financial guarantee to Bank of India, Singapore towards 50% of the loan sanctioned by Bank of India, Singapore for which the Company has given a counter guarantee to Andhra Bank, Hyderabad. During the Financial year 2012-13, Bank of India revoked the guarantee given by Andhra Bank, Hyderabad and Andhra Bank, Hyderabad in turn revoked the corporate guarantee given by the company and credited an amount of Rs. 26.86 crores to company's loan account. The said loan is secured by pari-passu mortgage charge on the Land and Building of the company. The Company has debited the the same amount along with the interest to Cura Global GRC Solutions Pte Ltd, Singapore and accounted the under the head Loan and advances to Subsidiaries. |                         |                         |
| <b>Note 6 :</b>  |                         |                         |
| <b>Deferred Tax Liabilities</b>  |                         |                         |
| <i>Opening Deferred tax liability</i>  |                         |                         |
| Tax effect of items constituting deferred tax liability  | 33,85,457               | 10,89,618               |
| On difference between book balance and tax balance of fixed assets   | (12,66,887)             | 22,95,839               |
| <i>Net deferred tax asset</i>  | 21,18,571               | 33,85,457               |
| <b>Note 7 :</b>  |                         |                         |
| <b>Other Long Term Liabilities</b>   |                         |                         |
| (a) Other Term Liabilities   | 301,77,787              | 109,64,975              |
| (b) Loans - Unsecured  | 3945,48,285             | 2969,51,932             |
|  | 4247,26,073             | 3079,16,907             |
| <b>Note 8 :</b>  |                         |                         |
| <b>Long Term Provision</b>   |                         |                         |
| Leave Encashment Payable   | 6,30,235                | 5,19,195                |
| Other Provisions   | 1225,83,421             | 1144,74,059             |
| Provision for Gratuity   | 6,69,999                | 8,06,913                |
|  | 1238,83,655             | 1158,00,167             |
| <b>Note 8.1 :</b>  |                         |                         |
| Provision for gratuity of Rs. 6,69,999/- and Leave Encashment of Rs.6,30,235/- was not valued by Actuary.  |                         |                         |
| <b>Note 9 :</b>  |                         |                         |
| <b>Trade Payables</b>  |                         |                         |
| (a) Creditors for Materials  | -                       | -                       |
| (b) Creditors for Services   | 1429,03,002             | 1042,87,830             |
|  | 1429,03,002             | 1042,87,830             |

| Particulars   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
| <b>Note 10:</b>                                       |                         |                         |
| <b>Other Current Liabilities</b>                      |                         |                         |
| (a) Current maturities of long-term debt, Secured     |                         |                         |
| (i) Andhra Bank Term Loan (refer note 10.1 and 2.26)  | <b>910,02,915</b>       | 910,02,915              |
| (ii) Andhra Bank Term Loan (refer note 10.2 and 2.26) | <b>4471,21,061</b>      | 1742,50,863             |
| (b) Creditors for capital goods                       | -                       | -                       |
| Other Current Liabilities                             | <b>19,99,079</b>        | 46,81,975               |
| Unclaimed dividends                                   | <b>1,41,402</b>         | 1,41,402                |
| Due to statutory authorities                          | <b>91,72,168</b>        | 14,63,297               |
| Other current liabilities                             | -                       | -                       |
| Deferred Income                                       | <b>543,16,168</b>       | 670,77,265              |
|   | <b>6037,52,793</b>      | 3386,17,718             |

**Note 10.1**

During the financial year 2009-10, the Company has taken a term loan of 9.38 crore from Andhra Bank, Hyderabad. The said loan is repayable in 60 equitable monthly installments of Rs 15.6 Lakhs each commencing from 20th Nov 2009. The said loan is secured by way of first charge on rent receivables from tenants and further secured by second charge on land and buildings of the Company and personal guarantee of Mr. G Bala Reddy, Director. Further the company has defaulted on payment of the loan and the total outstanding of Rs 10.85 crores including interest is currently due. And due to lack of funds interest payable not accounted, if accounted loss will increase by Rs. 1,75,60,018/-

**Note 10.2**

During the financial year 2009-10, Cura Global GRC Solutions Pte Ltd - Singapore, has taken a term loan of USD 14.24 Mn from Bank of India, Singapore. Andhra Bank, Hyderabad has given the financial guarantee to Bank of India, Singapore towards 50% of the loan sanctioned by Bank of India, Singapore for which the Company has given a counter guarantee to Andhra Bank, Hyderabad. During the Financial year 2012-13, Bank of India revoked the guarantee given by Andhra Bank, Hyderabad. Consequently Andhra Bank, Hyderabad has revoked the corporate guarantee given by the company and credited an amount of Rs. 26.86 crores to company's secured loan account. The said loan is secured by pari-passu mortgage charge on the Land and Building of the company. The Company has debited the the same amount along with the interest to Cura Global GRC Solutions Pte Ltd, Singapore and accounted under the head Loans and Advances to Subsidiaries. And due to lack of funds interest payable not accounted, if accounted loss will increase by Rs. 5,98,79,879/-

Note 11 : FIXED ASSETS SCHEDULE

| Sl. No. | Name of the Asset              | GROSS BLOCK              |                             |                               |                          | DEPRECIATION |                   |                              | NET BLOCK        |                  |                 |
|---------|--------------------------------|--------------------------|-----------------------------|-------------------------------|--------------------------|--------------|-------------------|------------------------------|------------------|------------------|-----------------|
|         |                                | Balance as on 01-04-2015 | Additions during the period | Sale or adjsts for the period | Balance as on 31-03-2016 | 01-04-2015   | During the period | Sale or Adjts for the period | Total 31-03-2016 | As on 31-03-2016 | As on 31-3-2015 |
| a)      | Tangible Assets                |                          |                             |                               |                          |              |                   |                              |                  |                  |                 |
| 1       | Land at Hyderabad              | 112,63,803               | -                           | -                             | 112,63,803               | 20,28,280    | -                 | -                            | 20,28,280        | 92,35,523        | 92,16,649       |
| 2       | Building                       | 866,64,585               | -                           | -                             | 866,64,585               | 172,65,485   | 14,01,560         | -                            | 186,67,045       | 679,97,540       | 693,99,100      |
| 3       | Air Conditioning System        | 181,46,934               | -                           | -                             | 181,46,934               | 101,77,494   | 7,54,238          | -                            | 109,31,732       | 72,15,202        | 79,69,440       |
| 4       | Plant & Machinery              | 31,70,943                | -                           | -                             | 31,70,943                | 18,98,394    | 1,19,362          | -                            | 20,17,755        | 11,53,188        | 12,72,550       |
| 5       | Electrical Equipments          | 63,88,888                | -                           | -                             | 63,88,888                | 37,77,309    | 5,12,108          | -                            | 42,89,417        | 20,99,472        | 26,11,580       |
| 6       | Electrical Fittings            | 95,53,245                | -                           | -                             | 95,53,245                | 57,33,401    | 7,72,138          | -                            | 65,05,539        | 30,47,706        | 38,19,844       |
| 7       | Interiors,Furniture & Fixtures | 410,62,080               | -                           | -                             | 410,62,080               | 309,66,284   | 18,28,535         | -                            | 327,94,819       | 82,67,261        | 100,95,796      |
| 8       | Lift System                    | 28,17,500                | -                           | -                             | 28,17,500                | 17,27,619    | 2,19,002          | -                            | 19,46,620        | 8,70,880         | 10,89,882       |
| 9       | Fire Safety Equipment          | 24,39,423                | -                           | -                             | 24,39,423                | 23,17,452    | -                 | -                            | 23,17,452        | 1,21,971         | 1,21,971        |
| 10      | Computers                      | 384,65,205               | 7,09,674                    | -                             | 391,74,879               | 372,77,771   | 8,48,594          | -                            | 381,26,365       | 10,48,514        | 11,87,434       |
| 11      | Office Equipment               | 96,34,162                | 18,400                      | -                             | 96,52,562                | 91,29,826    | 2,61,268          | -                            | 93,91,094        | 2,61,468         | 5,04,336        |
| 12      | Library Books                  | 63,389                   | -                           | -                             | 63,389                   | 63,389       | -                 | -                            | 63,389           | -                | -               |
| 13      | Motor Cars                     | 24,68,679                | -                           | -                             | 24,68,679                | 20,83,468    | 1,18,181          | -                            | 22,01,649        | 2,67,030         | 3,85,211        |
| 14      | Land at Vizag                  | 38,67,596                | -                           | -                             | 38,67,596                | -            | -                 | -                            | -                | 38,67,596        | 38,67,596       |
|         | (under development)            |                          |                             |                               |                          |              |                   |                              |                  |                  |                 |
|         | TOTAL (a)                      | 2360,06,432              | 7,28,074                    | -                             | 2367,34,506              | 1244,46,172  | 68,34,985         | -                            | 1312,81,157      | 1054,53,349      | 1115,41,386     |
| b)      | Intangible Assets              |                          |                             |                               |                          |              |                   |                              |                  |                  |                 |
| 1       | Software Tools & Packages      | 158,83,587               | 12,739                      | -                             | 158,96,326               | 126,92,505   | 15,07,639         | -                            | 142,00,144       | 16,96,182        | 31,91,082       |
|         | TOTAL (b)                      | 158,83,587               | 12,739                      | -                             | 158,96,326               | 126,92,505   | 15,07,639         | -                            | 142,00,144       | 16,96,182        | 31,91,082       |
|         | TOTAL (a+b)                    | 2518,90,019              | 7,40,814                    | -                             | 2526,30,832              | 1371,38,677  | 83,42,624         | -                            | 1454,81,301      | 1071,49,532      | 1147,32,468     |

| Particulars  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
| <b>Note 12:</b>  |                         |                         |
| <b>Long-term Loans and Advances</b>  |                         |                         |
| <i>(Advances recoverable in cash or in kind or for the value to be received)</i> |                         |                         |
| a) Non current Investments (refer note 4.9)                                      | <b>301,66,331</b>       | 2607,30,550             |
| b) Advances for capital goods  | -                       | 179,45,000              |
| Less: Advances written off   | -                       | (179,45,000)            |
|  | -                       | -                       |
| c) Other advances  | <b>82,60,916</b>        | 875,47,903              |
| Less: Advances written off   | -                       | (788,23,987)            |
|  | <b>82,60,916</b>        | 87,23,916               |
| d) Deposits with Government authorities (refer note 12.1)                        | <b>32,88,762</b>        | 31,07,536               |
| e) Prepaid Taxes   | <b>137,20,434</b>       | 117,48,037              |
|  | <b>554,36,443</b>       | 2843,10,040             |

**Note 12.1:**

Deposits with Government Authorities include an amount of Rs. 21,40,148 (previous year: Rs.21,40,148) towards Security Deposit with APCPDCL Hyderabad.

**Note 13:****Trade Receivables****(Unsecured and considered good)**

|   |                    |               |
|---|--------------------|---------------|
| a) Outstanding for more than 6 months (refer Note 13.1) |                    |               |
| Considered Good   | <b>702,79,891</b>  | 594,65,811    |
| Considered doubtful                                     | <b>74,36,088</b>   | 1356,25,301   |
|   | <b>777,15,979</b>  | 1950,91,112   |
| Less: Bad Debts written off                             | <b>(74,36,088)</b> | (1356,25,301) |
| Less: Provision for Doubtful Debts                      | -                  | -             |
|   | <b>702,79,891</b>  | 594,65,811    |
| b) Others   | <b>602,48,618</b>  | 599,82,475    |
|   | <b>1305,28,509</b> | 1194,48,286   |

**Note 13.1:**

Advances accepted from the customers related to Singapore region

**Note 14:****Cash & Cash Equivalents**

|  |                  |            |
|--|------------------|------------|
| a) Cash in Hand                                    | <b>30,928</b>    | 17,862     |
| b) Balances with scheduled banks                   |                  |            |
| i) In current accounts                             | <b>64,07,190</b> | 180,28,364 |
| ii) Fixed deposit accounts                         |                  |            |
| iii) Unclaimed dividend accounts                   | <b>1,41,402</b>  | 1,41,402   |
| Cash and cash equivalents for cash flow statements | <b>65,79,521</b> | 181,87,628 |

Out of the above Cash and Cash equivalents which meet the definition of Cash flow statements is Rs.64,38,119. (previous year Rs. 18,046,226)

| Particulars                                     | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
| <b>Note 15:</b>                                 |                         |                         |
| <b>Short-term Loans and Advances</b>            |                         |                         |
| <i>Considered good</i>                          |                         |                         |
| Staff loans and advances                        | -                       | -                       |
| Other Advances                                  | 75,56,701               | 191,54,069              |
|   | -                       | (150,00,000)            |
|   | <u>75,56,701</u>        | <u>41,54,069</u>        |
| Balances with statutory/ government authorities | -                       | -                       |
| Prepaid expenses                                | 32,42,533               | 60,00,163               |
|   | <u>107,99,234</u>       | <u>101,54,232</u>       |
| <b>Note 16:</b>                                 |                         |                         |
| <b>Revenue from Operations</b>                  |                         |                         |
| Licence Sale                                    | 204,50,157              | 160,84,240              |
| Maintenance and Support Charges                 | 1352,59,922             | 1655,57,141             |
| Software Services                               | 785,50,183              | 1047,88,359             |
|   | <u>2342,60,262</u>      | <u>2864,29,741</u>      |
| <b>Note 19:</b>                                 |                         |                         |
| <b>Other Income</b>                             |                         |                         |
| Rent Receipts for Space                         | 248,81,474              | 272,44,374              |
| Maintenance Charges Receipts                    | 42,72,346               | 42,01,509               |
| Foreign exchange gain                           | 28,84,232               | -                       |
| Interest Received                               | 3,07,119                | 4,08,558                |
| Miscellaneous Income                            | 51,318                  | 10,87,964               |
| Bad Debts Recovered                             | 9,51,848                | -                       |
|   | <u>333,48,338</u>       | <u>329,42,404</u>       |
| <b>Note 20:</b>                                 |                         |                         |
| <b>Employee Benefit</b>                         |                         |                         |
| Salaries, wages and bonus                       | 989,18,677              | 1344,98,080             |
| Contribution to provident and other funds       | 22,46,851               | 18,72,411               |
| Staff welfare expenses                          | 40,30,408               | 106,94,596              |
|   | <u>1051,95,937</u>      | <u>1470,65,087</u>      |
| <b>Note 21:</b>                                 |                         |                         |
| <b>Finance Cost</b>                             |                         |                         |
| Interest on term loans                          | 609,35,290              | 858,95,294              |
| Interest on Statutory Payments                  |                         |                         |
| Bank Charges & Commission                       | 4,857                   | 9,97,391                |
|   | <u>609,40,147</u>       | <u>868,92,685</u>       |
| <b>Note 22:</b>                                 |                         |                         |
| <b>Other Expenses</b>                           |                         |                         |
| Other selling expenses                          | 81,86,382               | 107,17,812              |
| Repairs and maintenance                         | 39,74,098               | 2,50,110                |
| Power and fuel                                  | 39,42,068               | 41,36,856               |
| Legal and professional                          | 861,77,182              | 147,72,730              |
| Travelling and conveyance                       | 90,57,275               | 83,67,464               |
| Foreign exchange loss                           | -                       | 340,99,627              |
| Royalty   | 2,83,679                | -                       |
| Communication                                   | 49,63,791               | 66,56,415               |
| Rent  | 114,23,442              | 125,74,320              |
| Securitiy expenses                              | 25,00,540               | 22,21,386               |
| Rates and taxes                                 | 34,40,713               | 18,45,504               |
| Printing and stationery                         | 7,60,269                | 8,13,243                |
| Insurance                                       | 10,49,898               | 15,08,761               |
| Payment to auditors                             | 32,58,082               | 46,87,518               |
| Provision for Doubtfull Debts                   | 74,36,088               | 3180,63,891             |
| Miscellaneous                                   | 120,33,276              | 787,90,975              |
| Impairment Loss                                 | -                       | 8343,75,246             |
|   | <u>1584,86,781</u>      | <u>13338,81,860</u>     |



## **CURA TECHNOLOGIES LIMITED**

CIN: L72200TG1991PLC013479  
Registered Office: Plot No. 12, Software Units Layout,  
Cyberabad, Hyderabad - 500 081..

### **ATTENDANCE SLIP**

**25th ANNUAL GENERAL MEETING – December 30th, 2016**

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1. Name & Registered Address of the sole/first named Shareholder :
  2. Name(s) of the Joint Shareholder(s): (if any) :
  3. Registered Folio No. / :  
DP ID / Client ID No.
  4. Number of Shares held :
- 

I Certify that I am a member / Proxy for the member of the Company. I hereby record my presence at the 25th Annual General Meeting of the Company to be held on the 30th December, 2016 at At 10.00 am, at FAPCCI Auditorium Hall, 11-6-841, Federation House, Red Hills, FAPCCI MARG, Hyderabad, Telangana - 500004, Telangana.

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Member's / Proxy's Name in Block Letters

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Member's / Proxy's Signature

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Dear Member,

### **SUBJECT : E-VOTING**

In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules") and clause 35B of the listing agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 23rd December, 2016 (End of Day) being the cut-off date ( i.e. record date for the purpose of Rule 20(3)(vii) of the Rules) fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Central Depository Services Limited (CDSL).

The e-voting period commences from 9.00 a.m. on 27th December, 2016 and ends on 5.00 p.m. on 29th December, 2016. The members of the Company, holding shares either in physical or demat form, as on the cut-off date of 23rd December, 2016, may cast their vote electronically.

For instructions on E-Voting please read the attached Notice of the Annual General Meeting. This communication forms an integral part of the Notice for convening the Annual General Meeting of the Company to be held on 30th December, 2016.



## CURA TECHNOLOGIES LIMITED

CIN: L72200TG1991PLC013479  
Registered Office: Plot No. 12, Software Units Layout,  
Cyberabad, Hyderabad - 500 081.

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014.

|                       |   |
|-----------------------|---|
| CIN                   | L72200TG1991PLC013479   |
| Name of the Company   | <b>CURA TECHNOLOGIES LIMITED</b>                                    |
| Registered office     | Plot No. 12, Software Units Layout, Cyberabad, Hyderabad - 500 081. |
| Name of the Member(s) |   |
| Registered Address    |   |
| Email Id              |   |
| Folio No / Client ID  | DP ID:  |

I/ We, being the member(s) of ..... shares of the above named company, hereby appoint

|   |                |           |  |  |
|---|----------------|-----------|--|--|
| 1 | Name           |           |  |  |
|   | Address        |           |  |  |
|   | E- Mail ID     | Signature |  |  |
|   | of failing him |           |  |  |
| 2 | Name           |           |  |  |
|   | Address        |           |  |  |
|   | E- Mail ID     | Signature |  |  |
|   | of failing him |           |  |  |
| 3 | Name           |           |  |  |
|   | Address        |           |  |  |
|   | E- Mail ID     | Signature |  |  |
|   | of failing him |           |  |  |

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 25th Annual General Meeting of the Company, to be held on the 30th December, 2016 at At 10.00 am, at FAPCCI Auditorium Hall, 11-6-841, Federation House, Red Hills, FAPCCI MARG, Hyderabad, Telangana - 500 004, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolutions |  | For | Against |
|-------------|--|-----|---------|
| 1.          | Consider and adopt Audited Financial Statement along with Reports of the Board of Directors and Auditors 31st March 2016 |     |         |
| 2.          | Ratification of Appointment of Auditors and fixing their remuneration  |     |         |
| 3.          | Appointment of Mr. T. Srinivasa Rao, Additional Director   |     |         |

Signed this .....day of .....2016

Signature of Shareholder.....

Signature of Proxy holder(s).....

Affix  
Revenue  
Stamp

**BOOK-POST / REGD. POST / COURIOR**

**PRINTED MATTER**

*If undelivered please return to :*

**CURA TECHNOLOGIES LIMITED**

*Registered Office : Plot No. 12*

*Software Units Layout, Cyberabad*

*Hyderabad - 500 081, Telangana.*